THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

(Journal of the Indian Institute of Public Administration)

PRINCIPAL CONTENTS

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

(The views expressed in signed articles are personal opinions of the contributors and are in no sense official, nor is the Indian Institute of Public Administration responsible for them.)

Articles, comments, correspondence and reviews may kindly be sent *in duplicate* to the Assistant Editor, The Indian Journal of Public Administration, and enquiries and subscriptions may be addressed to the Registrar, The Indian Institute of Public Administration, Indraprastha Estate, Ring Road (East), New Delhi-1

THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

The Indian Institute of Public Administration was established in March 1954 under the presidentship of Late Shri Jawaharlal Nehru, Prime Minister of India. The Institute has been recognised as the National Section for India of the International Institute of Administrative Sciences. Regional Branches of the Institute have been established in Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa, Pondicherry, Punjab, Haryana & Chandigarh, Rajasthan, Tamil Nadu, and U.P.; and Local Branches at Ajmer, Baroda, Jammu-Srinagar, Kolhapur, Nagpur, Patna, Poona, Ranchi, Shillong, Udaipur, Ujjain and Vallabh Vidyanagar.

The Institute's ordinary membership is open to all persons above 25, who are actively interested in or concerned with the study or practice of public administration, the annual subscription being Rs. 25. Associate membership, without the right to participate in the management of the Institute's affairs and with a membership fee of Rs. 12 per annum, is open to bona fide post-graduate students and persons below 25 but otherwise eligible. Corporate Members are admitted on such conditions as may be specified in each case.

The services offered by the Institute to its members include free supply of the Institute's journal and selected research publications, a reference and lending library, information and advice on administrative problems, and participation in the Institute's activities.

Vol. XVIII, No. 1 Jan.-March, 1972

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

CONTENTS

Vol. XVIII, No. 2 April-June, 1972

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

CONTENTS

Vol. XVIII, No. 3 July-September, 1972

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

SPECIAL NUMBER ON TAXATION POLICY AND TAX ADMINISTRATION IN INDIA

CONTENTS

Vol. XVIII, No. 4 October-December, 1972

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

CONTENTS

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Vol. XVIII — January-March, 1972 — No. 1

A DISPOSITION TOWARDS DECISION THEORY

V. Subramaniam

THERE are several approaches to, and criticisms of, modern decision theory and they have formed the subject of much discussion in recent years.[1] One notices, however, an unusual and interesting measure of consistency in the attitudes of a group of critics drawn from British academics and administrators. The three main attitudes of this group form a coherent disposition towards decision-making and may be summed up as follows:

(1) They treat decision somewhat aristocratically as an unusual and high level phenomenon—not analyzable in general terms, statistically or otherwise.

(2) They take a continuous indivisible view of human activity and consider dividing it into discrete steps, such as making a goal decision and implementing it, as unrealistic.

(3) Similarly, they would not separate the organizational context of a decision from the decision itself. At the same time, they would treat the psychological limitations of an individual personality as both unique and inevitable. All this leads to the assumption that only unique case studies of decision making are worthwhile and possible.

[1] [illegible] summary of the approaches and criticisms, [illegible]

These three attitudes constitute what may be termed an old wor[ld] elitist disposition. It is relevant for a type of decision, the once-for-all seemingly irreversible decision, including its long gestation period and aftermath. We shall now elaborate the constituent attitudes of this disposition in the following paragraphs.

I

Most of the students, teachers and researchers have accepted Simon's definition of a decision as conscious (and therefore at least subjectively rational) choice among several available alternatives. Very few realized that the definition was rather new when it was suggested. Th[e] definition is often traced back to the American philosopher Dewey. With more research, one may trace it further back but, as a description of a *general* wide spread phenomenon, one cannot push it very far back. In the earlier centuries, the concept was used either for a *judicial* decision or for an *extremely important* choice in a great man's life—the sort of choice which Martin Luther, Sir Thomas More or Cranmer made in religion or Caesar made in crossing the Rubicon. In the case of the judicial decision, the two primary parts of it were proving or disproving the evidence (factual statements) and establishing the consequen[t] reward or punishment of society. In the other case, the decisions ha[d] an irreversible character—that is, they determined the rest of one'[s] life. In other words, the term 'decision', was not lightly used. It wa[s] employed only in connection with important events in the life of important people or society's decision on deviants. The idea of conscious choice was apparent in the former and was accompanied by strong emotional overtones, about braving the consequences.

What Dewey and Simon did, somewhat unconsciously, was to tre[at] decision as a fairly frequent phenomenon in everybody's life. It wa[s] more implicit in the case of Dewey as the philosopher of the pragmat[ic] young American democracy. It became more explicit with Simon partly because, in the post-War democratic atmosphere, decision w[as] seen as part of the activity of every human being, and partly because of his efforts to portray all organizational activity of every human being. At the same time, existentialist philosophy had glorified decision as a necessary part of (dignified) human condition, for every human being. Decision had thus come to be accepted as a wide spread [illegible] phenomenon.

---

[1] [illegible] Simon's efforts to portray all organizational [illegible] see V. Subramaniam, *op. cit.* [illegible] organizational, did not catch on.

Elaborating this a little, we see that the need and opportunity to 'decide' for oneself became available to more human beings, mainly with spread of democracy and industrialism. Both freedom and organization evolved together in the West and thus increased the opportunities for 'decision'[3]. It is true that with the greater development of organization has come a stage when a few decide for the many, more often than individuals decide for themselves. Nevertheless, the total number of opportunities for decision have increased enormously in this century.

Existentialism arose as a challenging philosophy in the context of mass hypnotism and silent participation or acquiescence in evil during and after the Second World War and it called on the individual to decide for himself and to recover the dignity of the human condition. Its actual influence in increasing decision-consciousness among the masses was perhaps small but it made more intellectuals aware of the glory of choice.

The cumulative effect of all these in making a decision a common and widespread phenomenon was immense. Such a phenomenon is *prima facie* amenable to general and even statistical study as against the 'elementariness' or 'numerical naivete' of decision theory is psychologically rooted in an elitist view of decision, as a scarce commodity, highly individualistic, unique and studiable only in the words of a Thucydides or Plutarch.

II

The continuous view of human activity is often found together with the foregoing view. Let us summarize it briefly, paraphrasing some of the words of its best exponent, Michael Oakeshott. He states clearly that every human being or self appears to itself as activity. "It (self) is not a thing or a substance capable of being active; it is activity. And this activity is primordial; there is nothing antecedent to it. It may display varying degrees of strength or weakness; it may be lively or lethargic, attentive or wandering; it may be educated or relatively naive; but there is no condition of rest/or passivity before it can begin."[4] The consequences of this view are made more explicit in his article on rational conduct. An activity is pursued because one has a certain skill in pursuing it and not really because of a plan or a

3. [illegible]'s *Freedom Vs. Organization* [illegible]

4. [illegible]

defined goal. Nevertheless, human beings do talk about an end or a goal and work towards achieving it. "How, then," Oakeshott says "do we get the illusion that the activity of these and other men could spring from and be governed by an end, a purpose or by rules independent of the activity itself and capable of being reflected upon in advance?" This abstraction is based upon two reasons. "Activity is broken up into actions, and actions come to have a false appearance of independence. And further, this abstraction of view is normally increased when what we observe is somebody else's activity." Arguing along these lines, Oakeshott asserts clearly that "no actual engagement can ever spring from or be governed by an independently premeditated end". He reiterates this later in the same essay thus: "Activity springing from and governed by an independently premeditated purpose is impossible".[8]

Most of the British academics and administrators, including those who might not have read Oakeshott, would implicitly subscribe to this view. Indeed, the foremost British writer on policy-making, Sir Geoffrey Vickers does make fun of that psychological abstraction, the perpetually goal-seeking man. It is also clear that a completely organic and continuous view of human activity without any occasion to stand and choose, would belittle any study of decision making in terms of discrete conscious choice and (subjective) rationality.

III

The third attitude may be described as a general disposition to decry decision guides and tools because:

(1) great decisions are just not taken that way by the *rule book*, and

(2) bad decisions can still result by following good rules.

The implicit reasons for these two consequences are:

(1) the organizational context of a decision; and

(2) that the compulsions of the decision maker's personality together dictate the final decision. This is a view-point which has some validity but only by looking at a part of the whole picture.

The two factors mentioned above, do restrict choices but do not dictate any particular decision. There is still choice available. Secondly, it is the earlier decisions made about organizational structure and hierarchical relations that make up the contemporary organizational context. And similarly, the earlier decisions taken in one's life produce the current compulsions of personality. To look at current

[8] Michael Oakeshott, *op. cit.*, p. 100.

restrictions of choice as 'eternal givens' is misleading even as an *apriori* definition of the decision situation. The concept of the decision tree shows how current choice restricts some future choices while other choices remain open but does not open up new choices or the choices restricted by other people's complementary and competitive choices. Indeed, there is no simple way of representing the reality except by computer simulation. One can simply say that organizational and personality compulsions react with current decision in a more or less dialectical fashion.

IV

The foregoing three attitudes are found together because they seem to be connected sociologically and psychologically even though their logical relation may be rather tenuous. A stable, deferential and elitist society seems to accept willingly the necessary presumptions for the attitudes and the resultant disposition. Stability demands fewer decisions to change and more attention to preserving the *status quo*. It also postulates that if fewer people, belonging to an *inner group*, take the decisions then there would be basic continuity and resultant stability. In the same way, a developed organizational context or structure fixes more 'givens', reduces the possibility of radical change and is conducive to stability. Thus, these assumptions of a stable elitist society go well with the first and third attitudes to decision making.

The second attitude about the continuous flow of human activity and the irrelevance of 'decision' or goal-fixing is in some ways new in terms of its explicit expression. Earlier prophets of tradition, evolution and stability, such as Burke, had talked largely in terms of social relations and their intricacies and the need of careful evolution. Oakeshott is perhaps the first political thinker to elaborate the indivisible nature of individual human activity and to relate it to the complex continuous web of society. Nevertheless, this view of human personality was also implicit in the elitist culture of any deferential society, in its admiration for the whole man and the generalist and its derogation of the specialist. Oakeshott's contribution is the explicit elaboration of this view in terms of an evolutionary concept of politics.

To sum up, all the three attitudes, thus, form part of a psycho-sociologically consistent elitist disposition in a stable deferential society. In subtle ways it governs the criticisms of some British administrators and academics of decision theory from the Simon School. In general, the criticisms are sterile and lead to two dead ends, the study of the particular decision as case study or an ostrich-like ignoring of all decision studies.

V

Geoffrey Vickers's *Art of Judgment* is an exception which demonstrates the farthest one can reach without cutting the umbilical cord of these elitist assumptions. Vickers makes fun of the eternal goal-seeking individual and implicitly accepts Oakeshott's description of human activity.[6] Similarly, he sets much store by the organizational context of decision-making. He also treats decision as a scarce commodity but not so scarce as to be limited to Ministers and Directors alone. As a result, Vickers achieves an important perspective on decision, different from, but complementary to, that of Simon and his school and that of Yehezekal Dror. I have discussed this in detail elsewhere and shall merely sum it up here.[7]

Treating human activity as continuous, Vickers sees that factual information or reality judgment and one's own values react continuously in a system he calls the appreciative system. As a result, he sees the importance of the decision not made or postponed to this appreciative system and sees decision as a visible constituent action in the continuous stream of appreciation. In similar vein, the organizational context (its structure) and internal controls are overwhelmingly important, whenever the external controllers (Minister, public, shareholders, etc.) are too uninformed to set up detailed objectives. That is why metabolic criteria, based on the (internal) organizational context (such as survival, level of survival and growth), dominate the majority of decisions in public as well as private organizations and make them look alike. Vickers' total picture is harmonious, explains the limitations of men and organizations, puts decision in proper perspective in the total context of human activity and is a valuable corrective to assumptions about discrete decision situations, unlimited rationality and unlimited organizational capacity to achieve external goals. But the making of these points by itself constitutes a dead-end made up of sterile criticisms and I-told-you-so's. It is useful only as a complement to the more optimistic decision theories of Simon, Cyert, March, Dror, etc. It is also significant to note that the elitist disposition we have discussed has produced just this one major work on decision making so much admired and so little followed up.

---

[6]Geoffrey Vickers, *The Art of Judgment : A Study of Policy Making*, London, Chapman & Hall, 1965.

[7]V. Subramaniam, "Two Complementary Approaches to Macro-decision-making", *Public Administration* (Sydney), Dec., 1971.

CHOOSING CHIEF EXECUTIVES (FOR GOVERNMENT UNDERTAKINGS)—IDEOLOGISTS, SPECIALISTS OR GENERALISTS?

S. S. Patil

THE Prime Minister, Smt. Indira Gandhi, addressing the heads of the public sector undertakings observed:

> "All these years we have taken up important programmes publicly but we have put at the head of these undertakings men who were not fully involved but thought it was only another job. We cannot simply afford that sort of attitude."[1]

She desired that all those who were concerned with the public sector projects should be "deeply involved, deeply committed". These views of the Prime Minister raised up a great controversy in the country because it was thought that Smt. Gandhi desired to politicize the Civil Service.

Narula deprecated the tendency to "confuse the question of commitment of Civil Services to the socialistic doctrine as propounded by one ruling party or another with the common complaint that Civil Servants show little regard for the welfare and convenience of the poor, are not really concerned about achieving results and are skeptical of the democratic process". He further observed: "In the Indian context, the Civil Servants need to have a commitment to the high principles of public good as embodied in the Constitution, namely, promotion of justice—social, economic and political and the Directive Principles of State Policy."[2]

Prime Minister, Smt. Gandhi, in her inaugural address at the Golden Jubilee Celebrations of the Institution of Engineers, complained that her views on "committed Civil Service" had been "mis-interpreted". She clarified that she did not want civil servants to support

[1] Indira Gandhi's address to the heads of public sector undertakings at New Delhi, *Sunday Standard*, July 20, 1969.

[2] B. S. Narula, "Role of Civil Services in Administration—Challenge of 1970's", *The Times of India*, January 26, 1970.

her or her political ideology. She wanted them to be "committed to the objectives of the State, which had been approved by the Parliament".[3]

Smt. Gandhi's views are realistic and should be acceptable to all. But there is reason to believe that her colleagues in the Central Cabinet and the Congress Party (R) do not seem to subscribe to her views on this subject fully because Shri Jagjivan Ram in his address to the Bombay Plenary Session, clearly advocated for committed Civil Service—"Committed to the ideology of democracy, socialism and secularism".[4] Also, while translating the basic idea into practice the "commitment to socialism" is alleged to be considered as the sole qualification for appointments to high posts in the Government.

Mohan Kumaramangalam, till recently a card-holder member of the Communist Party of India replaced Bharat Ram as the Chairman of the Indian Airlines Corporation. R. K. Hazari, described in a journal[5] that the "Congress Party Philosopher" was appointed Deputy Governor of the Reserve Bank of India and his predecessor Shri A. Bakshi "was installed as the Secretary of the newly created Department of Banking Operations of the Finance Ministry". He is said to have superseded some senior officers, mainly on the strength of his socialistic bearings.

Somasundaram[6], a well meaning Member of the Parliament, addressed a letter to the Prime Minister on the subject of the choice of General Managers of the public sector undertakings and heads of technical departments. He said:

> "At present the Indian Administrative personnel are placed as General Managers of Public Sector Undertakings and other technical departments. This had created . . . frustration among the technical personnel arising from compulsion to serve under generalist overlords."

He suggested to the Prime Minister as follows:

> "Only technical personnel having sound technical knowledge and wide administrative experience should be placed at the helm of

[3] Indira Gandhi's address at the Golden Jubilee Celebrations of the Institution of Engineers, *The Times of India*, February 6, 1970.

[4] Jagjivan Ram's Presidential Address to the Bombay Plenary Session of Congress(R) Party, *The Times of India*, January 13, 1970.

[5] A "Current" reader "on the appointment of the New Deputy Governor, Reserve Bank of India", *The Current*, December 6, 1969.

[6] S. D. Somasundaram's letter dated May 14, 1969 to the Prime Minister—and published in *Engineering Times*, August 15, 1969.

affairs of technical organizations, *i.e.*, public undertakings, steel plants, aluminium plants, Ministries like Works Housing and Supply, Irrigation and Power, Steel, Mines, Metals, Communications, etc."

Somasundaram, in his letter, also requested the Prime Minister "to issue a general directive to the different Ministers . . . to the effect that top administrative posts in such technical Ministries should be manned *invariably* by the qualified technical personnel".

A technical journal joined hands with Somasundaram and launched an active campaign to secure Government's acceptance of his views.[7] Somasundaram's views invoked wide and unqualified support from prominent MPs, and some State and Union Ministers. The technical journal published scores of letters under the caption "Ministers and MPs Support Engineers' Cause".

The Administrative Reforms Commission (ARC) dealt with the 'generalist-specialist' controversy in its Report on 'Personnel Administration'.[8] It observed: "the generalist has his place, and an important one at that, in the scheme of things; but so has the specialist, the scientist and the technologist". It emphasized "the need for specialization and what is more the need for specialized skills in higher administration".

V. Shankar, a member of the ARC, in his dissent note to the Commission's Report, stated that "as regards the outline of reform and the need for specialization, I feel that the scope for a specialist in the present administration is generally over emphasized".[9]

THE PROBLEM

The problem of choosing chief executives is complex and has evaded a clear-cut 'formula' notwithstanding vast research by experts in management science. It is the purpose of this article to establish some guidelines that may not always ensure a correct choice but would increase the probability of the selection being right.

It is not, however, intended here to isolate a 'typical personality' suitable for becoming a chief executive, though the discussion might be

[7] *Engineering Times*, Calcutta, August 15, 1969 and October 1, 1969.

[8] Administrative Reforms Commission, *Report on Personnel Administration*, Delhi, Manager of Publications (Government of India), p. 27.

[9] *Ibid.*, p. 159.

helpful in that respect too. It is obvious from the discussion in the preceding section that according to the current thinking in this country, there are three broad species contending for the chief executive's post, *viz*. ideologists, generalists and specialists. An attempt is, therefore, to be made to select one of the three species.

THE APPROACH

The elements of the approach to a solution of this complex problem are:

(1) Define, in general, jobs of the Chief Executives.

(2) List and describe the qualities and skills necessary to perform these jobs successfully.

(3) Verify if ideologists, generalists or specialists are more likely to possess majority of the qualities and skills.

(4) Test the conclusion against experience and practice in the advanced countries.

(5) Obviously, none of the three species would be an ideal choice. Therefore, attempt will be made to locate major disadvantages of selecting a particular specie and suggest ways and means to mitigate these.

THE DEBATE

Jobs of Chief Executives

The techniques of job analysis and description are imperfect. At the lowest level, there is hardly anything to describe, while at the highest level one's vocabulary is stretched to the limit to describe responsibilities, jobs and tasks which are complex and far too many. When it comes to describe the jobs of the chief executives in general, the difficulties multiply for, after all, being 'the chiefs' there are no conventional or other restrictions on their activities. This predicament can best be realized from Allen's following observations:

> "The President of one Chemical Company, for example, personally approves $2 weekly salary increases for clerical positions. The President of another, somewhat smaller company, reviews increases only on salaries of $10,000 or more a year.

> "The President of a $250 million company with headquarters in New Jersey opens and routes his own mail."[10]

Considering the varying nature of business enterprises and diversity of personality traits, one is apt to feel helpless. Nevertheless, since it is the basic requirement of this article to list major jobs of the chief executives, attempt has to be made, keeping in mind the above mentioned limitations.

It is possible to get a fairly good idea of the nature of the chief executive's work from his position in the company organization. Hurley says:

> "this individual stands between the board of directors above him and the subordinate officers and employees below him. He is the main centre of communications and often times the only contact between the governing board and the management."[11]

Therefore, it can be safely said that the chief executive is responsible for the overall activities of a company and management's work is his work. The work of the management according to Drucker is "to manage a business, manage managers and manage workers and work".[12]

Every company or corporation has some definite economic and social objectives and it is the main duty of the chief executive to strive to achieve these objectives. It is, of course, implicit in this that setting up new objectives and modifying the old ones is part of his work, for the common objective is "progress" which is antithetic to statics.

The work involved in attaining the social and economic objectives of any sizable company is so tremendous and complex that it can be done only in cooperation with people, may they be workers, managers, government officers or politicians. Therefore, Koontz rightly considers "getting things done through and with people" as the principal job of the chief executives.[13]

In the process of managing business, managers, workers and work, the chief executive has to take series of decisions. The very concept of

---

[10] Louis A. Allen, *Management and Organization*, New York, McGraw Hill, 1958, p. 4.

[11] Morris E. Hurley, *Business Administration*, New Delhi, Prentice-Hall of India, 1966, p. 379.

[12] Peter F. Drucker, "The Nature of Management", M. D. Richards and W. A. Nielander (eds.), *Readings in Management*, Bombay, D. B. Taraporevala, 1967, p. 32.

[13] Harold Koontz, "The Management Theory Jungle", M. D. Richards and W. A. Nielander, *op. cit.*, p. 17.

management is characterized by its concentration on decisions. To quote Richards and Nielander "planning, controlling, organizing and other managerial functions or process can be considered as different areas for decisions".[14]

Therefore, a group of experts known as the 'decision theory school of management' consider "taking decisions and right decisions of course" as the prime function of the chief executives or for that matter any executive.

There are voluminous writings, listing and describing the numerous functions of the chief executives. It is not necessary for the limited purpose of this article to enumerate all these activities of the chief executives. However, to show that all these functions fall in one of the above mentioned three categories, it is necessary to mention these in passing.

Copeland has taken special pains to shape an image of the 'model' executive. His work is full of rare insights gained during "forty years of case gathering and observation of business practice".[15] Hurley has organized the model of the executive as presented by Copeland into following fourteen points:[16]

(1) winning authority,

(2) meeting test,

(3) securing acceptance,

(4) obtaining teamwork,

(5) developing talent,

(6) exercising leadership,

(7) facing facts,

(8) performing unpleasant task,

(9) keeping perspective,

(10) defining jobs,

(11) setting policies,

(12) keeping informed,

---

[14] M. D. Richards and W. A. Nielander, "Decision-Making", Richards and Nielander, op. cit., p. 212.

[15] Melvin T. Copeland, *The Executive at Work*, Cambridge, Harvard University Press, 1951.

[16] Morris E. Hurley, op. cit., pp. 379, 380, 381 and 382.

(13) keeping the wheels turning, and

(14) making decisions.

It is evident that all these points or any other lengthy list of activities of the chief executives are nothing but a mere breakdown of the main tasks explained earlier.

The main jobs of the chief executives can, therefore, be grouped into five types shown in Table 1.

Table 1 Jobs of Chief Executives and Qualities and Skills Required

Sl. No.	*Type of Jobs*	*Quality*
1.	Setting up objectives and reviewing them constantly	Commitment
2.	(*a*) Formulating policies and programmes for attainment of objectives (*b*) Organizing human and material resources to implement the programmes	Knowledge
3.	Leading the organization to success	Leadership
4.	Taking quick and right decisions	Judgment

Qualities and Skills of Chief Executives

There is a surprisingly little agreement amongst the management experts regarding qualities of a successful chief executive. Moreover, the traits of a model executive listed by psychologists or some employers are shockingly at variance with the observed facts.

The qualifications which Owen D. Young, the founder of Radio Corporation of America (RCA), thought "must be" possessed by a man who would assume responsibilities of the chief executive of RCA stretches one's credibility. The specifications prescribed by Young were:

"*1st:* He should be well-known both nationally and internationally and he should have made such a place for himself as would enable

him to speak with authority either to a foreign Government or to our own Government.

"*2nd:* He should not have been previously identified himself with politics because that would mean party alignment and partisan reaction.

"*3rd:* He should not have been identified with Wall Street and the money interests because it is important that the American people should accept the Radio Corporation as an Organization for service to American interests both at home and abroad rather than as an organization to make a profit for Wall Street interests.

"*4th:* He should have had administrative experience and if possible business experience.

"*5th:* He should be well known in Washington and in a position to appear before committees of Congress and before the Departments and have his statements of facts accepted without question. It is particularly important in this connection that no one should be able to question his Americanism, such as they have done in several instances in the case of our international bankers.

"*6th:* He should be a man of public position to whom attack would be bad politics rather than good politics."[17]

Finding an executive fulfilling specifications drawn by Young is a formidable task and it was so for himself, because "his candidates uniformly failed to meet the specifications". He finally settled on Major General Harboard. All the same, Young's specifications are helpful in solving the problem.

Instead of getting lost in the model building, it is important here to list only major qualities required to perform the types of the jobs listed in Table 1.

Inevitably, there will be overlapping of qualities required to do each type of job. However, to simplify the matter, only such attribute which has outstanding importance in performing each type of job is mentioned in Table 1.

It must be stated that qualities besides those listed in Table 1, viz. intelligence, creativity, perseverance, ambition, drive, etc., are common to all the three species and without these no one would be

[17] Owen D. Young, Letter of Edward J. Nally dated October 25, 1922—excerpts taken from Morris B. [illegible], *op. cit.*, p. 350.

even considered for the post of the chief executive. These will not, therefore, be included in the discussion.

The qualities listed in Table I are general and in vague terms. Each one of them implies many similar attributes. There is little agreement regarding their nature and content. It is, therefore, necessary to define their meaning in the context of the present topic.

Commitment

Full commitment to the ideology of a party in power is thought to be highly desirable because:

(*a*) It inspires crusading spirit in the chief executives to achieve the overall social and economic objectives, which have direct bearing on the ideology and its success.

(*b*) It obviates constant vigil by the members of the party or cabinet to ensure that programmes are drawn and implemented in keeping with the ideology.

(*c*) It eliminates complicated motivational techniques to inspire and impel chief executives to put forth the best in them. They would automatically do their best as their ideological convictions, besides career prospects, are at stake.

(*d*) It would help in formulating and improving the overall programmes and objectives as the committed chief executives would give valuable feed-back information.

All the above mentioned assumptions are valid only under ideal conditions. In reality, crusaders or fully committed men and women are a rare commodity. The few that are available would naturally prefer to work in the party apparatus instead of getting bogged down to comparatively routine work of running factories. Moreover, project management, being a pedestrian task, does not offer the kind of inspiration required to keep up the crusading spirit of even fully committed members.

Therefore, it was found inevitable even in the Soviet Union to use material incentives to motivate managers to produce best results. This can be taken as a positive proof of untenability of the above mentioned assumptions because most of the managers of the Soviet factories are members of the Communist Party. Lenin had to declare "production should be organized so as not to depend on moral stimuli alone, but

these moral stimuli should be balanced by material incentives.[18] Richman observes:

> "The Soviet regime encourages capable, intelligent persons to pursue managerial career by providing basic salaries well above the national average and by providing those who reach the top rungs of the management ladder with fringe benefits such as a company car and favoured housing. The regime also deems it necessary to provide additional incentives compensation to spur managers to maximum efforts in the 'best interests' of the State."[19]

In a multi-party democracy, there is additional difficulty in recommending or choosing supporters of the ideology of the party in power as chief executives because there is every possibility of another party with diametrically opposite principles, coming to power. In such eventuality, there will be undesirable reshuffle. It can be argued that even in the private companies "many heads roll" with change in management". But the frequency is not or would not be so high because politics is inherently fickle and more so in these days. Moreover there is utter scarcity of managerial talent and it would not be possible for a party to find enough replacement. If ideological considerations become the sole determinant of suitability for high posts, a situation will arise when 'chameleons' would wangle their way to the top; thus defeating all the purposes.

Commitment was, therefore, considered necessary only for the job of setting up social and economic objectives and formulating a programme. Under the system prevalent in this country, broad social and economic objectives of state enterprises are determined by the Cabinet, and Planning Commission to some extent. If the objectives of an enterprise are given to and not determined by chief executives, full commitment to the ideology of the party in power does not seem to be necessary.

It does not, however, follow that ideological considerations are irrelevent to the issue of choosing chief executives of the government undertakings. There is a possibility that an otherwise efficient executive not only lacks faith in the ideology but is opposed to it. It will be difficult to force such a person to formulate or even vigorously implement the new programmes based on a particular ideology. Lack of faith in or opposition to an ideology would definitely militate against

---

[18] Lenin, quoted by Barry M. Richman, *Soviet Management*, Calcutta, Scientific Book Agency, 1965, p. 132.

[19] Barry M. Richman, *op. cit.*, p. 132.

ch person's devoting to the success of the enterprise. This negative pect is equally important.

Depending on the degree of commitment or opposition to a particular ideology, all people can be divided into the following categories:

(1) *Crusaders:* Hundred per cent commitment and ready to stake everything, including life and livelihood, for the sake of success of ideology or policy.

(2) *Sympathisers:* Generally believe in the ideology or policy but may have some reservations. Also not willing to take extraordinary risks. May at times prefer to conceal the faith.

(3) *Neutrals:* Have no ideological axe to grind. Willing to do any job assigned to the best of their ability to make their own career. Successful mainly in respect to power and money.

(4) *Conscientious Objectors:* Have no faith in the ideology but would prefer to do jobs selectively. May create difficulties at times by withholding efforts but would desist from wrecking efforts of others.

(5) *Antagonists:* Openly opposed to the ideology. Would attempt to secure rejection of the ideology in preference to the alternative one but such efforts are constitutional.

(6) *Saboteurs:* Deadly opposed to the ideology. May express interest and even participate in programmes outwardly with a view to sabotaging.

It is possible now to conclude this section by stating that:

(*i*) Full commitment to the ideology of party in power is not a necessary qualification for chief executives.

(*ii*) Any party or its government would, and there is no reason whatsoever why they should not, scrupulously bar entry of antagonists and saboteurs to the high offices and avoid conscientious objectors as far as possible. Smt. Gandhi is, therefore, fully justified in declaring that "obviously you cannot put those people in charge of public sector projects who do not subscribe to the philosophy of public sector".*

(*iii*) In the multi-party democracy adopted by us, 'neutrals' should be preferable, though, other things being equal, 'sympathisers' would do better.

*Indira Gandhi, *The Times of India*, February 6, 1970.

Knowledge

Knowledge required to become successful chief executive is not akin to 'scholasticity' or walking encyclopaedia. Management values or should value knowledge only to the extent it is helpful in producing desired results. Drucker rightly says, "achievement rather than knowledge remains of necessity both proof and aim,"[21] as far as management is concerned.

Nevertheless, there is no denying the fact that chief executives must possess knowledge of all aspects of a business. McGregor believes that if the executive has to play his role effectively he should have knowledge of all the related disciplines.

He says:

"The development of scientific knowledge brings pressure to bear upon the manager's performance of his role . . . the systematic and rapid accumulation of knowledge in all the disciplines that have relevance to management is a major phenomenon of our time. Behavioral science knowledge is one example, but others are no less important. Computer technology, applied mathematics, statistics and symbolic logic, most of which have hitherto been of relatively small concern to the manager, are becoming highly relevant. As industrial firms become international in character, they must acquire additional knowledge in political science, history, anthropology, economics and perhaps also philosophy and ethics."[22]

Even a genius, who has no experience of management or industry will shudder to read the above mentioned list. It must, therefore, be made clear that manager's knowledge of these areas is not the same as that of the experts in each one of these. The basic principle that needs to be understood is that managing a function is not the same as performing it. The chief executive is not required to have detailed systematic knowledge of each area. He must be familiar with each to the extent required to distinguish between right and wrong.

Branch believes that the chief executives cannot play their role effectively "without minimum comprehension" of each area. He observes:

"Unless he (chief executive) has sufficient background knowledge to appraise the material critically by asking appropriate questions,

---

[21] Peter F. Drucker, in Richards and Nielander (eds.), *op. cit.*, p. 26.

[22] Douglas McGregor, *The Professional Manager*, Calcutta, Scientific Book Agency, 1967, p. 52.

he cannot test its accuracy or inclusiveness, request corrections or suggest constructive improvements. Without this minimum comprehension, he is in effect making decision to others, would of course constitute a serious abrogation of his basic responsibility."[23]

It is impossible for any one to be equipped with even "minimum comprehnsion" of all the areas involved in management of a company, before starting his career. Moreover, some of the subjects are bound to change with the nature of the business of different companies. Therefore, what is to be emphasized is not the initial level of the knowledge but a person's capacity and willingness to learn more not only in the familiar areas but also in new and different ones.

Leadership

The chief executive's prime responsibility, as observed above, is to "get things done through and with people." What he gets done is, therefore, more important than what he does himself. His success, and consequently that of the organization that he heads, depends on the achievements of people he leads; and the people's achievements depend on leader's capacity to direct and motivate them.

There are two main methods of directing and motivating people: autocratic and democratic. The industrial management was characterized by autocratic leadership till recently. However, due to growing complexities of business world, rise of strong trade unions and scarcity of competent skilled hands, it is unlikely that an autocratic leader can succeed as chief executive. The chief executive, therefore, to be able to manage democratically, must be a shrewd judge of human motives and personalities. He ought to spend much of his time in studying and knowing well his team. He cannot neglect their individual and collective welfare. It may not be sufficient only to introduce good welfare schemes and sanction money. While remaining aloof, his attempt should always be to get familiar with most of them, know their individual problems and help in solving them In short, he should be a 'people-minded' man and should always keep up the morale of his team.

Advent of computers and other management tools have revolutionised the nature and content of the jobs of chief executives and also the entire field of management. These tools being available to all the companies, most of the routine work can be done or got done with more

[23] M. C. Branch, "Logical Analysis and Executive Performance", Richards and Nielander (eds), op. cit., p. 366.

r less uniform efficiency. With adequate training, more than one peron can display equal efficiency in managing routine business of any one ompany. Therefore, only a chief executive, with uncommon innovatng skill and foresight, can maintain leadership and play his role effecvely. These are the two attributes of a chief executive which can save is company from decadence and obsolescence. Obsolescence or deadence is possible due to setback in any area, products, markets, rganization, raw materials, technology, finance, public and employee elations, etc. Obviously, innovation and foresight must embrace the ntire field of the activity. President Gardiner of the General Electric ightly considered "the hallmark of leadership as the ability to anticipate the reasonably foreseeable needs of tomorrow and beyond tomorrow with at least some degree of clarity and confidence".[24]

The subject of leadership is vast and perhaps most controversial. There are voluminous works outlining the attributes of good leaders. The important ingredients of an industrial leadership are explained above. To make the list fairly complete, a single paragraph from Field Marshall Montgomery's work comes handy. According to him:

> "To be great, to be a person of stature, a person must have character, judgment, high intelligence, a special aptitude for seeing his problems whole and true—for seeing things as they are without exaggeration and emotion--and above all the ability of decision, the right decision of course."[25]

Ability to Make Decisions

Maximum of management literature is devoted to decision making. It is ironical indeed that more often than not the emphasis is on techniques and tools used in the process, and the basic abilities and skills required are relegated to the background. Perhaps to magnify importance of the various aids, the decision making process is reduced to finding the best solution to a problem, which is taken for granted.

The basic abilities and skills have perhaps been obscured by the techniques and tools because usually a distinction is not made between routine decisions and policy making. In policy making, contrary to routine decision making, framing a problem is equally important as solving it. A case in point is falling growth rate of a company manufacturing children's perambulators. While firm's executives suggested

[24] Ralph Gardiner, quoted by Morris E. Hurley, *op. cit.*, p. 113.

[25] Quoted by Chester Burger, *Survival in the Executive Jungle*, London, Macmillan, 1964, p. 11.

vigorous promotional and advertising campaigns, changes in design, colour and other aspects, a consulting firm found the falling birth rates as the main reason, and suggested diversification. Thus, to perceive the basic cause and mental ability required for that are more important than the tools used.

Since the main purpose here is to isolate abilities and skills required for decision making, it is thought fit to abandon the traditional approach and instead resort to psycho-analytical study of the decision process.

It must be understood that decisions are an expression of a mental activity and not result of calculations and analysis done by computers or any other business machines. Geoffrey Vickers[28] calls this mental activity 'judgment'. He has adopted dynamic conceptual model which embraces entire process and highlights mental skills as against physical aids, tools and techniques. In his all-embracing analysis, Vickers observes that a problem has to be framed after taking into account causal relationships of all inter-linked aspects. Similarly, "each solution proposed by executive judgment is appraised, not merely as a solution to the problem which evoked it but also for its impact on other problems which it may make easier or harder of solution". Therefore, the entire system is to be viewed in its dynamic form and solution found by what he calls "optimizing balancing" process.

The ability to optimize and balance the interactive forces of economic, social, cultural, political, geographical, technological and, above all, personal factors depend upon strength of the "appreciative system". The "appreciative system" of an individual is defined as "a set of readinesses to distinguish some aspects of the situation rather than others and to classify and value these in this way rather than that". It is "a net of which warp and weft are reality concepts and value concepts". The reality concepts include the appreciator's perception of the existing state of system as also its past and future form, the latter linked with various hypotheses. The value concepts naturally include those of the colleagues, superiors, customers, suppliers, government officials or society at large.

Vickers asserts that "these readinesses" which form the appreciative system "have to be learnt" He also says "the development of an appreciative system . . . is the inner history of an individual, an organisation and a society".

[28] Geoffrey Vickers, *The Art of Judgment*, London, Methuen, 1965.

It is, of course, implicit that the net of the appreciative system to be widened continuously, the appreciator must have flexible and open mind and have desire to learn constantly from his own and others' experiences and published matter.

With this background, Vickers describes the "skills involved in policy making." These are:

(*i*) *Reality Judgment*

"Capacity to comprehend and analyze a complex situation extended in time, to assess the outcome of multiple, causal interactions, to apply appropriate time scales, to comprehend uncertainties, most of all perhaps to simplify without distorting by excluding the inessential".

(*ii*) *Instrumental Judgment*

"The ingenuity which produces apt solutions to the problems set by such surveys of 'reality' calculated to change the pattern of expected relationship by responses perhaps never tried before."

(*iii*) *Value Judgment*

"The skill to evaluate or test possible alternatives both against ideal and operative norms or standards . . ." or "the capacity for making value judgments . . . an activity of the mind, which minds similarly endowed can infer from the behaviour and communications of others but which they can interpret in the light of their own experience."

One important aspect needs to be clarified at this stage. "The value judgments of men and societies cannot be proved correct or incorrect." These can only be "approved" or "condemned" after the event by exercising another value judgment. But decisions taken by policy makers involve large-scale commitments of financial human and material resources. Therefore, the policy maker must have courage to take the risk that is implicit in every decision. All skills without courage are futile for the decisions would never be put into action.

Conceptual Skill

An attempt has been made in the foregoing paragraphs to explain important attributes which should generally be possessed by chief

executives. Katz[27], however, deprecates the quest for finding specific traits or qualities of chief executives. He suggests that "effective administration rests on three basic developable skills". This approach, he says, "obviates the need for identifying specific traits". The three basic skills according to him, are: technical, human and conceptual. It is necessary to define these for the sake of ready appreciation.

(*i*) *Technical Skill* "implies an understanding of, and proficiency in, a specific kind of activity, particularly one involving methods, processes, procedures or techniques . . . Technical skill involves specialized knowledge, analytical ability within the speciality and facility in the use of the tools and techniques of the specific disciplines."[27]

(*ii*) *Human Skill* "is the executive's ability to work effectively as a group member and to build cooperative effort within the team he leads."

(*iii*) *Conceptual Skill* "involves the ability to see the enterprise as a whole; it includes recognising how the various functions of the organization depend on one another, and how changes in any one part affect all others; and it extends to visualizing the relationship of the individual business to the industry, the community, and the political, social, and economic forces of the nation as a whole."

Further, Katz brings out relative importance of conceptual skill when he says: "at the top level of administration this conceptual skill becomes the most important ability of all . . . of chief executive may lack technical or human skills and still be effective if he has subordinates who have strong abilities in these directions. But if his conceptual skill is weak, the success of the whole organization may be jeopardized."

Common Qualities

It might appear queer but, despite the fact that each business of industry is different in many respects from others, the principal qualities and skills of chief executives of most of them are almost common. Colonel Alan Haemer, Controller of the United States Air Force's First Strategic Aerospace Division, rightly said: "Executives have the same qualifications everywhere getting along with people, monitoring them, and managing them. The same principles of management hold true whether it's a controller's section or a paper bag company."[28]

[27] Robert L. Katz, "Skills of an effective Administrator", Richards and Nielander (eds.), *op. cit.*, pp. 807-823.

[28] Quoted by Chester Burger, *op. cit.*, p. 35.

THE CHOICE

The words 'ideologists', 'generalists' and 'specialists', though familiar, are subject to different interpretations. It is, therefore, necessary to define these here before discussing and making the choice of one of these species for posts of chief executives.

Ideologist

Ideologist is defined in the Random House Dictionary as "an expert in ideology" or "a person who advocates a particular ideology".[29] In the context of this article, it is also presumed that the ideologist is an ardent supporter of a particular ideology and his mind is preoccupied with ideological considerations.

Specialist

According to the Chambers's Dictionary, a specialist is "one who devotes himself to a special subject".[30] And the verb 'devote' means "give up (oneself, one's efforts) exclusively to a (person, purpose or pursuit)".

Generalist

Random House Dictionary of the English Langauge—College Edition—defines a generalist as "a person whose knowledge, aptitudes and skills are applied to a variety of different fields as opposed to a specialist".

These definitions, and especially the one of a specialist, might appear too rigorous to those who are accustomed to their use with loose and flexible meaning. True, it is difficult to find pure specialists, ideologists or generalists; there is bound to be overlapping of two or all the three types in case of an individual. However, no serious discussion and a rational decision is possible unless the basic assumptions are specified and agreed upon, for vagueness acts as oil to the fire of controversy.

WHO HAS MAJORITY OF QUALITIES AND SKILLS

A Deviation to Approach

In the section outlining 'the approach' to the article, it was stated that a choice would be made after verifying which one of the

[29] *Random House Dictionary of the English Language*, College Edition.
[30] *Chambers's Twentieth Century Dictionary*.

species is likely to possess maximum of qualities and skills necessary to be the chief executive. However, while discussing 'commitment', it was concluded that full commitment to the ideology of a party in power was not a necessary qualification for chief executives. It was also pointed out that 'neutrals' should be acceptable and, other things being equal, 'sympathisers' are to be preferred. Moreover, it is impracticable to place persons as chief executives only on the strength of their expertise in the ideology. Once a quality is eliminated from the 'deciding factors', the specie of 'ideologist', whose strongest attribute is 'commitment to ideology', automatically ceases to be a contestant. Further discussion will, therefore, be restricted to making a choice between 'specialists' and 'generalists'.

Nevertheless, as it is felt that, 'other things being equal', 'sympathisers' are preferable, commitment remains a necessary quality in this limited sense.

Commitment

Democracy presupposes such citizens, who make comparative study of ideologies of different political parties and support one or the other on the basis of convictions formed. It is a great irony that school and college curricula, except those of economics and political science, do not include detailed study of the principal ideologies. Educated people remaining 'uneducated' in this vital sphere is, therefore, a common feature.

Individual citizen is left to himself to acquire knowledge of the ideologies. Unless one has varied interests and political awareness, he forms opinions on the basis of superfluous information. It is but natural that technologists and scientists being deeply involved in pursuit of one subject or a part of it should neglect the study of the ideologies. The generalists on the contrary are more likely to be interested in the political systems and ideologies. Therefore, they, and not the specialists, are more likely to be committed to a particular ideology.

Knowledge

Minimum comprehension in computer technology, applied mathematics, statistics, economics, psychology, political science, ethics, philosophy, history, symbolic logic and other disciplines was considered to be an essential requirement of chief executives.

Having given up themselves exclusively to pursuit of a special subject or a part of it, specialists would hardly be interested in plethora

of disciplines. If, by virtue of their position, they are compelled to study subjects other than their specialities, many of them are likely to be frustrated. Moreover, it is unjust and detrimental to the larger interests to compel a specialist to neglect the field of his choice. If, in the process, they get separated from the mainstream of developments in their fields and abandon or neglect pursuit of their research projects, country and society might be deprived of probable discoveries and inventions of far reaching consequences.

Therefore, it is not only difficult but socially undesirable to waste specialists' talents on acquisition of 'elements' of other disciplines. There is, therefore, more than a friendly eulogy in what Khushwant Singh says about L. K. Jha, erstwhile Governor of the Reserve Bank of India:

> "I am convinced that man like Ell Kay (L. K. Jha) should not be wasted on administration . . . His real place is in the groves of academy. He is like Galbraith; he should be a guru rather than a Governor or ambassador."[31]

Khushwant Singh perhaps drew this conclusion from Galbraith's own following statement:

> "When President Kennedy asked me to go to India as his ambassador in 1961 . . . I worried lest, the world were exchanging an irreplaceable author for a more easily purchaseable diplomat."[32]

The generalist, on the other hand, is by the very nature a bee, hopping from one subject to another collecting honey of essential knowledge. It will be impossible for him to 'give up himself exclusively' to a single subject. He would not take a challenge to unravel a mystery pertaining to a minor topic of a subject and devote himself to solving that. He would willingly face the difficulties in acquiring at least a 'minimum comprehension' in a hitherto untouched subject.

Leadership

Foresight and skill in innovation, besides ability to motivate and direct people, are the hallmarks of leadership. Unlike political leadership, management leaders' success depends more on the first two factors. An unfamiliar meaning of leader is to be to the foremost. Communications are revolutionized and information spreads fast. A new

---

[31] Khushwant Singh, "The Editor's Page", *The Illustrated Weekly of India*, February 1, 1970, p. 31.

[32] J. K. Galbraith, *The New Industrial State*, The New American Library, 1967, p. viii.

technique, product, procedure, or anything becomes commonplace very soon. Only a person who can exhibit continuous brain power to innovate can be the first or a leader and establish leadership of his organization.

The importance of this vital skill has not been recognized in India due to lack of competition. But with the increasing emphasis on exports and fast-growing competition and cost and quality awareness in the home market, this skill would be indispensable for chief executives. Nothing is more inimical to a country's exports than obsolescence, and India cannot be an exception.

Chief executives must possess foresight and skill in innovation in each and every sphere of their enterprise. Continuous improvement in marketing, production, financial management, human relations and public responsibility, etc., is the only guarantee of overall success of the enterprise.

It is an established fact that man cannot import rare insights into his work and exhibit innovating skill in any activity without a certain degree of knowledge and understanding of basic principles involved. A child is considered as a 'physical entity' at the time of birth and only after he has acquired knowledge and understanding of the various aspects of life that he can take decisions or surprise parents by uttering or doing a thing that is uncommon for his age.

A specialist, with profound knowledge and keen understanding in his chosen field, can excell in innovations in that particular sphere. But he would not be able to appreciate readily a proposal for innovation in some other subjects. This is obvious but might be difficult to accept. If proofs are required, history is full of them. Majority of discoveries and innovations in physical sciences have been exploited to wider social benefit by men other than their fathers. There are very few examples of persons having undertaken production of patented articles or machines on their own. Not that they have no desire to do that but the host of attendant problems and evils dissuade most of them.

Generalist, whose "knowledge, aptitudes and skills are applied to a varity of different fields", can display skill in innovation in all the fields. It can be argued that generalists, who happen to occupy high positions and wield authority and power, merely borrow and at times steal ideas and proposals of others and present as their own. In other words, they lack originality.

virtue of highly developed mental skills required for judgment. The Judges are perhaps the leaders of the species called generalists.

It is amazing that those who consider a generalist chief executive incapable of taking sound decision in technical matters, are perfectly satisfied with the appointment of a High Court or Supreme Court Judge to enquire into an aircraft accident or causes of breaching of dams, though he is a highly non-technical person. Public and, more often than not, experts, accept his judgment as just and sound. There is, therefore, no doubt that only generalists can take a sound decision in the matters involving a number of fields.

Generalist Win

It is then obvious that generalists possess maximum qualities and skills required to be a chief executive. This problem was studied empirically by *Dun's Review of Modern Industry* which surveyed the 250 largest Corporations of United States of America and concluded: "Your chances for promotion are best if your speciality is general management . . . This was the largest single source of Company Presidents".[27] And, finally, if specialists or their protagonists feel elated because Dun's Review recommended 'specialists' in general management for higher promotion, the other side should delightfully concede the victory to them.

THE EVIDENCE

It has been pointed out in the preceding paragraph that in U.S.A., majority of chief executives were generalists. Two outstanding examples can be cited in support of this conclusion.

In an article titled "Charles Wohlstetter's Many Careers", published in the *Business Week*, the editors wrote: "He has acquired as many careers as some men have neck-ties."[28] Can he do justice to so many careers? The *Business Week* editors would confidently reply in affirmative. They further observed: "To all his various endeavours Wohlstetter brings a characteristic desire for expertness . . . He is amazingly knowledgeable . . . He is proficient in so many areas, and not slipshod in any of them."

Clarence Randall is described by Sheehan as "Statesman from Steel"[29] because, before Eisenhower appointed him as Chairman of the

[27] Chester Burger, *op. cit.*, p. 229.

[28] "Charles Wohlstetter's Many Careers", *Business Week*, August 30, 1969.

[29] Robert Sheehan, "Clarence Randall: Statesman from Steel", *The Art of Success*, Bombay, The Times of India Press, pp. 21-33.

all important Commission on Foreign Economic Policy, he was Chairman of the Board of Inland Steel of Chicago.

Randall's entry into the Inland Steel, Chicago, is perhaps the most dramatic appointment of a senior executive. As undergraduate, he had studied History and English and graduated from Harvard Law School. He had established himself as a competent attorney at law and had no desire to change career. But the events took a strange turn and:

> "Out of the blue one day in 1925, Randall received a letter from D. P. Thompson inviting him to come to Chicago to discuss a job that was open at Inland Steel. Randall knew next to nothing of Thompson or his Company. He made the call . . . P. D. (Block, the President) asked Randall only one question . . . 'Do you think you can run an iron mine?' To which Randall answered, 'Yes, Sir'. P. D. explained that they were not looking for a lawyer as such (he would, in fact have to close his law books) but an across-the-board assistant to Thompson who was in turn assistant to the President."

With one question and a two word answer "at thirty-four, Randall, who surely had the equipment to become one of the country's great trial lawyers, became an industrialist instead". He rose to the Chairman's position in Inland Steel and later on a successful Statesman. This is perhaps the soundest testimony to generalists' ability to manage engineering enterprises.

Unfortunately, outside the U.S.A., attention is not paid to writing biographies of successful executives. But any research on the lines of Dun's Review would yield the same results. Marsh, Director-General of the British Institute of Management, said:

> "In effect, a functional manager was a specialist and the higher he aimed at in his career the more he would need to drop his specialist outlook."[40]

This, as observed earlier, is difficult and also detrimental to larger interests. Instead, it is better to have 'specialists' in general management.

Examples of Soviet industry are often quoted by protagonists of 'specialists'. According to Richman, "Soviet industrial enterprises are managed primarily by engineers. It is estimated that 90 per cent

[40] John Marsh's address at "Seminar on Management Development Policies" (organised by Delhi Management Association), *The Economic Times*, October 24, 1968.

or more of all enterprise directors are engineers by training".[41] This is, however, deceptive because the functions of director of Soviet enterprises are not as multifarious as those of chief executives in India or other non-communist countries. The Soviet enterprise director is not burdened with uncertainties of sales, financial resources nor would he be bothered about labour problems of our types. "Recessions and depressions would hold little fear" for the Soviet manager. Richman clearly states that the Soviet enterprise director "would be chiefly concerned with meeting production quotas established in advance". This is the job equivalent to our production managers and, even in India, majority of companies appoint engineers in this capacity.

THE LIMITATIONS AND REMEDIES

Though analytical and empirical research brings us to the conclusion that generalists are more suitable to be chief executives, the choice is not without limitations. It will be vain to build an image of 'ideal chief executive' because we cannot 'fabricate' men identical to a 'model'. Life is full of compromises and it is futile to pursue the 'ideal' in the sphere of management. It is, however, possible to minimize the ill-effects of the compromise by remedial measures, the major three among these measures are discussed below:

(1) *Frustration Amongst Specialists due to Loss of Status*

Somasundaram quoted Smt. Indira Gandhi's views expressed in her convocation speech at Roorkee University in support of his call for better deal for technologists. Smt. Gandhi had said:

> "It is odd that the greatest doctors and engineers in the country, who would be rated as the leaders of the profession and who save lives or add permanent assets to the nation, can rarely hope to receive the pay or status of Secretaries of Ministries. The brightest of our youngmen and women choose engineering and medicine. If they happen to go into Government, they are very soon overtaken by the General Administrator."[42]

This is a very precise diagnosis of the frustration amongst doctors, scientists and technologists. But the remedy of planting these people as the heads of public sector undertakings and departments is a quack-remedy.

---

[41] Barry M. Richman, *op. cit.*, p. 58.

[42] Indira Gandhi's convocation address to Roorkee University, *Engineering Times*, August 15, 1969.

Firstly, the status of a specialist is determined not by power or authority he wields but by the influence his professional eminence exercises and the respect it commands. Knowledge is a great power and if it is really there, even most arrogant would not help bowing before the possessor.

Secondly, the disparity in the pay of heads of undertakings and departments and other executives can be remedied by rationalising pay structure. It is a sign of perversity to plant a favoured group at highly paid jobs and push the present occupants down to lower pay scales. After all, as Thayer observes, there are classes in a classless society of Russia. He also says: "Sharing the privileged status of the party leaders and government ministers—though not their power—are a handful of senior scientists, writers, artists and top generals, many of whom are highly paid".[43] There is nothing that prevents the Government from changing the entire pay structure instead of changing designations so that a group earns higher salaries.

(2) *Generalists' Lack of Expertise Delays Decisions and Causes Losses*

Yagnik, a Member of Parliament, commenting on Somasundram's letter, said:

> "It is a matter of deep regret to us that many of our big public undertakings have been incurring losses even after the first few years of their infancy were over. I have no doubt that it is due to the appointment of IAS officers who knew hardly anything about engineering technology and who have been appointed to manage huge undertakings. And competent engineers and such expert staff are compelled to serve under these high and mighty ignorant bosses."[44]

In the first place, the IAS Officers are not solely responsible for losses of public undertakings; there are many more reasons for that. Yagnik and those who share his views would be perfectly satisfied if a High Court Judge were appointed to enquire into an air-crash with the help of expert assessors. There they value the mental ability called judgment more than knowledge of aeronautical engineering.

However, it cannot be denied that lack of expertise on the part of chief executive might at times be a hindrance to progress of an undertaking. But it is presumptuous to say that appointment of an engineering wizard would solve the problem for it needs expert knowledge of

[43] Charles W. Thayer, *Russia*, New York, Time, 1961, p. 102.

[44] Indulal Yagnik, letter published in *Engineering Times*, October 1, 1969.

marketing, finance, human relations and many other disciplines to run an engineering or any other type of enterprise. The right remedy would be to shift power from individual to the executive committees consisting of experts from various fields. A committee is an effective method of bringing the collective knowledge and judgment of a number of people to bear on a problem. 'Group thinking' is an integral part of American business management, though chief executive has veto power. All would readily agree with Galbraith when he says: "Decision in the modern business enterprise is the product not of individuals but of groups."[45]

A long-term remedy to this problem is to overhaul the education system. As Timken says, even the American "advanced education system tends to develope two completely different kinds of individuals. The technical curricula have over concentrated within their disciplines, and the non-technical curricula have stayed as far away as possible from anything even bordering on the technical."[46]

If the humanities and liberal arts students so desire, they can certainly acquire 'minimum comprehension' of technical subjects and *vice versa*; many individuals have acquired expert knowledge of both the worlds.

(3) *Deviation of Operation of Enterprises from Ideological Objectives cannot be Located and Rectified Promptly*

Since full commitment to the ideology of the party in power is not considered a necessary qualification and ideological 'neutrals' have been recommended for appointments as chief executives, it is likely that operation of enterprises may not be fully in conformity with the ideological and social objectives. The Central agencies and Ministers might find it difficult to correct the 'deviant course' of an enterprise due to time lag in noticing the 'shift'.

It should be remembered that such a disparity between policies and practice is inevitable to a certain extent notwithstanding the degree of commitment of chief executives to an ideology. Even in the Soviet Union, where enterprise directors are "almost always" members of the party, "every industrial enterprise has a communist party committee" which is entrusted with the tasks of "motivation and education of personnel, human relations and various social issues."[47]

[45] J. K. Galbraith, *op. cit.*, p. 76.

[46] W. R. Timken (Jr.), "Can Non-Technical Executives Successfully Direct Engineers?", *The SAE Journal*, November 1969, p. 30.

[47] Barry M. Richman, *op. cit.*, p. 220.

There is no reason why such committees of MPs, MLAs and other prominent party members cannot be formed to review operations of enterprises periodically. It is, however, essential that these committees are strictly in advisory capacity and are not allowed to interfere with the routine business, otherwise the drawbacks of the Soviet system of "dual authority" would hamper the operations due to constant tussle. Thayer says:

> "On every level of government from the Council of Ministers to the lowest factory board, the party representative upholds first and foremost the political point of view for which he has been trained. His counterpart on the other hand—the minister, the manager, the engineer or the scientist—is primarily concerned with technical operation . . . there always remains the possibility of friction between them."[48]

CONCLUSION

And so we see that steering an enterprise clear of technical, natural, social, political, economical, psychological and above all 'personal' obstacles to the goal, is a complex process. It demands chief executive with versatility, resourcefulness and agility. Naturally, both, analytical and empirical approaches lead us to the same conclusion that only 'generalist' can meet the tests of 'general management'. Undoubtedly, the choice is not 'perfect' but definitely 'the best' under the prevailing circumstances. The evils of imperfection in this case are not beyond remedies.

Generalists are a vital and undying species and even in this era of 'specialization', 'Jack-of-all-trades' has an important place. If he has secured it by 'specializing' in 'general management' that is a testimony to his executive skill. He knows only too well that "If you can't win them join them", this is called the ability of using men—the secret of all successful souls.

[48] Charles W. Thayer, *op. cit.*, p. 32.

DEVELOPMENT BUREAUCRACY : A TENTATIVE MODEL

E. H. Valsan

CURRENT literature is abundant with definitions and classifications of bureaucracies of the "Non-Western" world.[1] This article is concerned with the bureaucracy involved directly in economic, social, and political development in the emerging nations—a topic which has recently attracted "model" builders and theoreticians.[2]

It has been emphasized by several writers that today, bureaucracy even in Western countries does not conform to the Weberian description. Scholars who write mostly on developing countries have held that in those countries the bureaucracy performs several political roles as well.[3] Actually, they seem to perform a multiplicity of roles.[4] The following is an attempt to reduce conveniently those roles into certain limited, but prominent categories and to discern major constraints that the bureaucracy faces in performing its roles, particularly in developmental tasks. While the role of bureaucracy in social, political, and administrative development is important, this article confines itself mainly to economic development programmes which may have political, social, administrative, and other implications. An attempt is made, however, at the end to suggest some of the political roles performed and constraints faced by the development bureaucracy.

We shall consider civil servants enagaged in development projects and activities as those who constitute development bureaucracy.

[1] Two different classifications are provided by Fred W. Riggs, "Bureaucratic Politics in Comparative Perspective", *Journal of Comparative Administration* (Los Angeles), Vol. 1, 1964, pp. 4-10, and Merle Fainsod, "Bureaucracy and Modernization: The Russian and Soviet Case", Joseph La Palombara (ed.), *Bureaucracy and Political Development*, Princeton, Princeton University, 1963, pp. 233-238.

[2] *See* Berton Kaplan, "Notes on a Non-Weberian Model of Bureaucracy: The Case of Development Bureaucracy", *Administrative Science Quarterly*, Vol. 13, 1968, pp. 471-483; Richard Harris, "The Effects of Political Change on the Role Set for the Senior Bureaucrats in Ghana and Nigeria", *Administrative Science Quarterly*, Vol 13, 1968, pp. 368-401; and Fred W. Riggs, *Thailand : The Modernization of a Bureaucratic Polity*, Honolulu, East-West Center, 1966, pp. 311-366.

[3] Fred W. Riggs refers to this aspect in most of his writings. *See* Fred W. Riggs, "Bureaucrats and Political Development", Joseph La Palombara, *op. cit.*, and Fred W. Riggs, *Administration in Developing Countries : The Theory of Prismatic Societies*, Boston, Houghton Mifflin, 1964.

[4] *See* Richard Harris, *op. cit.*

Those who have done field research in economic or 'community' development will probably agree that in many respects, the usual practice of putting all civil servants into one whole lot of bureaucracy is misleading and inadequate. Hence, the attempt in this model to classify development bureaucracy into three categories according to their roles and the special constraints faced by each category in performing its tasks. While the exact designations of higher, middle, and lower levels of development bureaucracies will vary from country to country according to history, geography (size), and other factors, the major roles and constraints related to development activity can be classified according to the ideal types presented in the model. Again, as the salary scales vary from one country to another or even from one state or organization to another, they do not necessarily clarify the distinctions in terms of roles or responsibilities. Besides, it is possible that some who are paid less are in certain cases asked to shoulder greater responsibilities than others.

HIGHER LEVEL DEVELOPMENT BUREAUCRACY (HLDB)

The civil servants at higher levels in most developing countries include career officers and in some cases those who are appointed on the basis of patronage, political affiliations, and expertise. They play important roles in almost all economic development programmes. For the sake of analysis, these developmental roles of the higher level bureaucracy can be divided into four major categories: (1) Policy formulation: goals and strategies; (2) Appropriation and allocation of funds, (3) Execution of policy, and (4) Training.

ROLES

Policy Formulation: Goals and Strategy

In most of the countries, the political leadership which took over administration from a colonial power or after a local revolution were preoccupied with several problems other than economic development. Some of them continue to be preoccupied with internal political tensions.[8]

In certain cases, political leadership lacks required expertise for economic planning. Under these circumstances, the role of higher

[8] This is true of Nigeria, India, and Pakistan with internal tensions and Egypt with external danger.

bureaucracy in the formulation of developmental policy becomes he more important.[6]

The senior civil servants participate both in the process of setting goals of a development plan and in formulating the strategy for ining goals. In many instances, their 'advisory' role transforms f into virtually *the* most effective factor in the determination of cies.

ropriations and Allocations of Funds: Fixing of Priorities

Being more aware than the politicians about the financial resources possible expenditure involved in development projects, the exenced civil servants are also responsible very often in fixing the opriations policy as well as in allocating funds for the implemenn of plans according to priorities. This major task has led at times ndia and Pakistan to the selection of former members of Indian l Service as political leaders responsible for financial policy.[7] re such political leadership is vested in laymen, the civil service rts exert great influence in policy-making.

ution of Policy: Direction

Besides participation in making policies, the HLDB is involved in traditional role of direction and execution of policy. This needs ly any elaboration.

ning

It is the responsibility of the HLDB to interpret the policy set by selves and the political leadership to the lower levels of bureaucracy o train the latter in the methods to be adopted in order to achieve opmental goals. This major task is performed through conferences, utionalized training programmes, and a host of communications. They are also supposed to devote some time in training junior nistrators under them.[8]

India, from the very beginning of the Five Year Plans till the end of the Third e Deputy Chairman of the Planning Commission, V. T. Krishnamachari and a f retired or functioning members of the Indian Civil Service influenced developpolicies considerably.

D. Deshmukh, in India, and Chaudhri Mohamed Ali, in Pakistan, were called upon py political positions with responsibility for financial and developmental policy.

retired member of the ICS told this writer in an interview that under the ICS, the officers took special interest in their junior officers who would spend considere during their probationary period listening to the experiences and pieces of advice illingly by the former. However, according to this officer, under the Indian istrative Service (IAS), this practice is neglected. An interesting exhortation on ctice is given by R. G. Huxtable, "Training for Public Administration: The Senior ', Responsibility", *Public Administration* (London), Vol. 46, 1968, pp. 281-[illegible].

The four major roles mentioned above are not in any way exclusive. Several more can be added to these or included under any of these four roles. In performing these tasks, however, the higher level development bureaucracy often has to confront certain constraints. Four major types of constraints are suggested below.

CONSTRAINTS

Disagreements with Political Bosses on Policy

In spite of their expertise and experience, the HLDBs are often confronted with the problem of lack of agreement with the political leadership. Such disagreements can either force them to become 'yes men' or to exercise bureaucratic power more forcefully at the phase of implementation. Sometimes such disagreements result in ambiguity in policy due to artificial attempts to bring out compromise formulae.

Personal Background of the HLDB

Personal background of the HLDBs in general is conservative and socially exclusive. While there are indeed some exceptions like the socialists who are supposed to be behind what has recently been termed 'the Secretariat Socialism of Indira Gandhi', in many countries, including India, the very nature of the social life and economic status of the HLDB contradicts the tenets of socialism or social equality which are supposed to be the ideological goals of most of the development plans. Almost in all developing countries, the higher civil service is a relatively better salaried class than the lower levels. Mostly hailing from the urban middle class,[9] their social background and vision are centered around the big cities and foreign capitals. Socialist goals and slogans of equality raised by the politicians are only of academic interest to them. In certain cases, the civil service may even sabotage socialist programmes at the stage of implementation if not at the stage of policy formulation itself.

Supremacy of Seniority and Patronage

Despite foregoing discussion, which tends to take the expertise of the HLDBs for granted, closer analysis will generally prove that many of them occupy higher positions not necessarily because of special skill in economic planning or technological expertise, but because of seniority

[9] V. Subramaniam, "The Social Background of Zambia's Higher Civil Servants and Undergraduates", University of Zambia, 1969, p. 13; the paper was submitted at the University Social Science Conference, Nairobi, in December.

and even patronage. Having entered the permanent civil service at an early age, many have come to the top by promotion, but at the same time with very little interest in studies being made in various branches of knowledge related to development. Some of them are ineffective in terms of the challenges of the new era and some are there because of political patronage and, thus, lacking independence of outlook.

Unwillingness to Accept New Ideas and Technology

As a natural consequence of the constraints mentioned above, the HLDBs often tend to resist new ideas and innovations suggested by foreign experts or their own junior officers who have been trained in modern ideas and skills. Such resistance arises out of ignorance as well as out of fear that technically qualified junior men may oust them from the pedestals of power and influence with the regime. Administrators who were trained under the 'law and order' approach of the colonial rule with charitable attitude to merchants and landlords find themselves inadequate in dealing with the complicated process of economic planning leading to an egalitarian society.

One way of meeting the constraints half way has been creation and encouragement of a new class which has come to be known as technocracy. Eastern European countries seem to have given great importance to this 'second new class'.[10] In India, the creation of the Indian Economic Service and other new categories of central services along with the Indian Administrative Service seems to have taken this need for expertise into consideration. Our hypothesis, however, is that, in most of the developing countries, the HLDBs suffer from one or more of the above mentioned constraints or related difficulties. Researchers should be able to present a comparative picture of the degree of presence of such constraints.

MIDDLE LEVEL DEVELOPMENT BUREAUCRACY (MLDB)

The middle level bureaucracy performs several important roles in economic development. While all levels of civil servants perform some common functions sharing ultimate common goals, certain developmental roles distinguish the middle level from the other two levels of functionaries for development. The exact title and salary of this category will vary from country to country or organization to organization. The exact category will come to the mind of the reader in the light of the following analysis of roles and constraints. Besides generalists,

[10] See for instance, Carl Beck, "Bureaucracy and Political Development in Eastern Europe", Joseph La Palombara (ed.), *op. cit.*, pp. 291-300.

technical personnel at sub-national or district level also may be included under this category. Major distinguishing roles of the MLDB can also be divided into the following four groups.

ROLES

Learning and Interpreting

It is the task of the MLDB to learn the developmental policy and programmes prescribed by the superiors and the political leadership and to interpret it to lower level and grass-root development workers and the public. The learning part here is linked with the training role of the MLDB. MLDBs are involved in training the lower levels.

Energizing and Supervising

Closely linked with the training task of the MLDB is their direct responsibility in energizing the lower level workers. Whereas the HLDBs have the overall responsibility for the implementation of programmes, real and immediate field responsibilities over administratively coherent area are vested in the MLDBs. Consequently, they have great deal of supervisory tasks too. Inspection is also an important task at this level especially in technical departments engaged in development.

Coordination

Development plans being largely diffused in the countryside, one of the major administrative tasks has been that of coordination at provincial, district and sub-district levels. The MLDB is generally called upon to assume this responsibility. To a great extent, success of development programmes depends upon the capacity of the MLDB to perform this task.

Collecting Information

Also, the MLDB is responsible for collecting, analyzing, and communicating the data and valuable pieces of information for the formulation of policy at higher level. However skilled and imaginative the HLDBs may be, still they have to depend upon information available through responsible officers at the middle level.

In general, if the above mentioned four tasks are performed well by the MLDB, chances of success are high in development. Again, we are not excluding other roles which may appear to be equally important.

The MLDBs perform certain important political roles which will be discussed in the appropriate section later.

CONSTRAINTS

In playing the four major roles, the MLDB seems to face four major constraints which, like its special roles, are distinguishable in many ways from the constraints faced by the HLDB.

A Qualifications Crisis

The MLDB constitutes generally a mixed group. Both in terms of age and experience as well as of technical qualifications, there is very little uniformity at this level. Whereas some are young and newly recruited administrators, others have reached this level through long years of service at lower levels and are almost about to retire. In technical services particularly, the young have had modern training whereas those who have come up the hierarchy were trained long ago and hence lack the capacity to absorb the spirit of new economic policies and technology. Hence, in terms of developmental tasks we find a qualifications crisis often reflecting an uneasy co-existence of the good and the deadwood. This situation leads further to conflict and delay in decision-making.

Differences of Opinion with HLDB and Local Politicians

Generally, it is at this level that young and talented officers begin their administrative career. One major problem they face is that of differences of opinion with the higher civil servants. The enthusiasm and originality which they want to demonstrate through administrative innovations are often discouraged by the 'disinspiring'[11] bosses who always have 'experience' to fall back upon.

Still another type of disagreement takes place between the MLDB and the local politicians, particularly if members of the former are posted in field administration. This happens all the more, because at the provincial or district level the calibre of political leadership tends to be low. This is due to the fact that whenever a politician shows some acumen of administrative and political leadership, he is taken away by national or state leadership and given wider responsibilities than in a small area. Consequently, the leadership in the field often tends to be

[11] The term was introduced by this writer in E. H. Valsan, *Community Development Programs and Rural Local Government: Comparative Case Studies of India and the Philippines*, New York, Fredrick A. Praeger, 1970, p. 399.

second rate or even worse. In many instances, they may not even identify themselves with the goals of revolution or development upheld by the national leadership or even may not be aware of such goals. Under these circumstances, they are eager to use development projects and funds for their own benefits or narrowly conceived partisan and tribal purposes. Inevitably, if the MLDBs who are trained nationally and who have wider loyalties and deeper understanding of problems then the local politicians find it difficult to perform duty according to their conscience.

Financial Status and Material Aspirations

Whether young or old, MLDBs generally get much lower emoluments than the higher civil servants. At the same time, their associations and aspirations are closely linked with the HLDB. In order to cope with the social status of the higher level members of the MLDB sometimes indulge in extravagance which they cannot afford.

However, some of the major decisions regarding contracts and regional licences are dealt with at this level. Profit-minded businessmen thoughtfully notice the higher aspirations of those MLDBs particularly the older ones with greater family responsibilities and offer them bribes in kind or even in cash. A valid hypothesis in this connection can be that a higher degree of corruption and bribery is found among the MLDB than among the HLDB or lower level development bureaucracy (LLDB). This is because, at the higher level, remunerations and job satisfaction are high as has been quoted in a comparative study of Turkey, Pakistan and Egypt,[18] while at the lower level, corruption can be only small-scale and thus not as disruptive to the projects as at the middle level. Of course, individual cases of variances to this statement can be found in any society.

Ideological Ambivalence : Little Commitment to Development

Again, with aspirations associated with those of the rich and the HLDB, the MLDB often reflects an ideological ambivalence. They are too proud to identify themselves with the LLDB and the masses, and at the same time are not quite accepted in the circles of higher classes. Even those who are young, efficient, and honest at this level are, in many cases, more so in their own interests of promotion and status before the political leadership and not because of ideological commitment to socialism, democracy, or even development. Our

[18] See Leslie Roos and Noralou P. Roos, "Bureaucracy in the Middle East : Some Cross-Cultural Relationships", *Journal of Comparative Administration*, Vol. 1, No. 3, 1969, p. 296.

analysis of the LLDB deals with this question of ideology in greater detail.

The constraints at the MLDB can be minimized, however, through appropriate training and also by better placement systems which will take into account the personal qualifications, commitment, and ideological orientations of the civil servants.

LOWER LEVEL DEVELOPMENT BUREAUCRACY (LLDB)

ROLES

From the point of view of popular support and involvement in development projects, the role of grass-roots workers is perhaps more important than that of the higher levels. Four major categories of roles played by the LLDB are analyzed below. Here again, four is not a magic number. More roles could be included among the four being discussed or the list could further be extended in all cases cited so far.

Mass Contacts

The LLDB operates on the basis of contacts with the masses. These contacts help popular participation in development, but they also help the development workers ascertain popular demands and local needs. Policy formulation at higher levels can be realistic only if policies are based on true reports transmitted by the village and town level development workers. Also, it is at this level that the real task of inspiring the masses through dynamic inter-personal and collective approaches can be performed.

Demonstration of Innovations

LLDBs are often required to learn the techniques of new innovations and methods of new projects and then to explain these to the people. In so doing, they often have to perform successful demonstrations in order to convince the farmers and local leaders about the utility of the new innovations. Thus, LLDBs generally turn out to be multi-purpose workers with semi-expertise in such different subjects like adult education, plant protection, family planning, animal husbandry, first aid, and nutrition.[13]

Introduction of New Institutions

Expansion of development activities involve organizational proliferation and, consequently, new institutions are created especially in the

[13] See E. H. Valsan, *op. cit.*, pp. 93-94, 277, and 341-344.

field in order to provide new services and to stimulate new habits among the masses. The LLDB is invariably asked to perform the task of introducing cooperatives, credit unions, local savings banks, and family planning clinics. On the one hand, they have to be maintained according to the rules prescribed by higher levels, and at the same time, they have to be run with the cooperation and for the benefit of the local people.

Collection of Taxes and Levies

An unenviable task of the LLDB is the collection of taxes and newly created levies, including food procurement where food rationing is in vogue. While the policy regarding taxation and developmental levies is decided upon by the legislators and the senior civil servants, its implementation is left to the LLDB. This unpleasant task puts them in a very crucial work of public persuasion for developmental obligations and goal achievement.

CONSTRAINTS

Despite the importance of the tasks being performed by the LLDB, they work under certain constraints in most of the countries. All these constraints may not prevail together in one area or project, but in many cases they are very much interlinked as can be observed from the following.

Insufficient Qualifications

Generally, people at the lowest level of development bureaucracy are not sufficiently qualified to deal with the masses and are also inadequately trained. On the one hand, we recognize the importance of their role and, on the other, we also find that the best young men and women in a society are not drawn to fill positions among the LLDBs.

Poor Salary

The reasons for the scarcity of well trained and qualified people for LLDB are often their low salary and poor living conditions. In one sense, this situation reflects a vicious circle of poor salary, inadequately qualified personnel, and what Gunner Myrdal calls 'over-staffing'[16]. The less efficient the personnel, the more of them are required to do the job.

[16] Gunnar Myrdal's Speech at the Public Services International, *Report of the Second Asian Conference*, Singapore, 1968, p. 5

Ideology and Frustration

The most intriguing irony of the developmental scene is the fact that the LLDB which constitutes people who are expected to play most important roles for stimulating popular participation are the least paid of all levels and still they are probably the ones who identify themselves most with the proclaimed ideology of socialism, democracy, or development. It is in their interest that there should be equality and justice in the society, but their own experiences often lead them to pessimism and frustration. Loss of morale on their part nips the bud of inspiration from developmental activity.

Loss of Initiative

Loss of morale among the LLDB leads to loss of initiative and they become subservient to official bosses or local chiefs often sacrificing the goals of development and public interest in general. They also indulge in small-scale corruption, but what they can do in this respect is little because they are closely watched by the public.

Problem solving in this area is often dependent upon overall perception and long-term view of development leadership in any nation. If young and highly qualified development workers are appointed at lower levels with comparably good salary and opportunities to rise up in the national hierarchy, much of the frustration can be mitigated [15] At the same time, it is important to keep their ideological commitment even as they rise up in the hierarchy.

Social and Political Development and Bureaucracy

An elaborate analysis of social and political roles and constraints of development bureaucracy is not being attempted here as the writer is still bewildered by the inter-relationships between economic and social development and also with the difficulties in defining political development. However, certain propositions which flow directly from the above mentioned model and are related to the role of bureaucracy for economic development are being made as hypotheses for further investigation.

Social Responsibility and Constraints

Whether or not social development is to be defined in terms of socialism or social justice, it is linked with all economic development

[15] In the Philippines, the practice in the field of community development is to recruit university graduates for barrio level development work. Many who joined service at that level have been able to rise up in the hierarchy.

plans. In most of the countries, such plans include statements which purport to say that they are meant to reduce inequalities in the society and to lead to equitable distribution of wealth. As we have seen so far, in implementing such development plans, the bureaucracy is used as the most vital instrument for action. Paradoxically enough, in most developmental organizations, bureaucracy which is supposedly responsible for inducing social change is itself a symbol of inequalities and a reflection of social hierarchy. Besides the syndrom of class conflict and ideological dilemma discussed earlier, religion, race, and other divisive loyalties and animosities plague the bureaucracy. Class consciousness among the three levels and the sub-levels within each of them often leads to lack of cohesion in developmental endeavours and often keep the lowest level, which is the most important, as the least dynamic category of workers. Exceptions may be there to this situation and the more these are there, the brighter the prospects for development.

POLITICAL ROLE OF BUREAUCRACY

Whether we can have an agreement on the definition of political development or not, it appears that bureaucracy at all levels performs certain political roles while working for economic development. While some reference has been made to these, particularly in connection with the higher level, an attempt is made here to list four major political tasks undertaken by all levels of development functionaries. Later, a discussion of the constraints which either follow such political involvement or arise out of some situations discussed earlier, is attempted

Increasing Role in Policy Formulation

Especially in systems which have introduced decentralization of authority, besides economic policy, many 'political' policies also are decided on the advice of the bureaucracy. They may deal with the tackling of certain pressure groups or violent opposition, controversial policies, like land reforms, location of a university or steel mill or, in smaller areas, of a primary school or hospital. In most of these situations, 'political' advice is very important and the civil servants are called upon to give it informally, but effectively, especially where political leadership is weak.

Political Socialization

Bureaucracy is called upon to participate in the political education of the masses according to socialist ideologies or developmental goals

set by the nation.[16] Teachers, information officers, generalist administrators, and even at times technical staff are asked to participate in this process directly or indirectly. Public speaking is a part of their job in development projects and however neutral they may be in partisan politics, they relate their immediate technical responsibility with the overall ideology of the national leadership.

Political Bargaining and Representation

In areas where political leadership is weak, as mentioned earlier, the tasks of the civil service leadership is immense. One political role being performed by able and popular administrators is that of bargaining and lobbying for additional development funds for the departments or areas they belong to at a particular time. This representative role is played because of their influence with the state or national government bureaucracy or even with political administrators whom they know better than does the local political leadership.[17]

Resistance to Political Pressure

Again, in development, bureaucracy has to play the political game of either resisting or responding favourably to continuous political pressure. The way to react to the politician in many such situations is by being extremely tactful in tackling the situation. This is perhaps the most difficult 'political' role of the bureaucracy engaged in development.

CONSTRAINTS

Usurpation of Power

Writers on bureaucracy in developing countries have warned about the danger of usurpation of political power by bureaucracy.[18] While it may be good for bureaucracy to do its best, especially where political leadership is weak, even in the best instances, it weakens the growth of democratic leadership. The more the people become dependent upon

---

[16] Typical examples would be those of the communist countries as well as of Egypt where the ruling organization, the Arab Socialist Union, includes civil servants as well.

[17] E.H. Valsan, "Positive Formalism : A Desideratum for Development?" *Philippine Journal of Public Administration*, Vol. 12, 1968, p. 6; R. B. Schaffer also refers to the representative role of the civil servants in development administration [B. B. Schaffer, "The Deadlock in Development Administration", Colin Lys (ed.), *Politics and Change in Developing Countries*, London. Cambridge, 1969, p. 210].

[18] Riggs refers to it several times. *See* Fred W. Riggs, "Bureaucrats and Political Development", Joseph La Palombara (ed.), *op. cit.*

a 'good' administrator, the less inclined will they be to shoulder responsibilities.

Distortion of Political Goals

Increased influence of the bureaucracy often leads to the distortion of goals and strategy to suit class interests of the bureaucracy concerned. Highly influential HLDB often injects conservative ideas into the administrative and even political circles much against the 'revolutionary' or 'socialistic' facade of the political regime. Especially during revolutionary take-over of administration by a 'progressive' group, creation of independent or 'neutral' civil service leads to several conflicts which imply political connotations.

The following two constraints are more relevant to multi-party democracies.

Extremist Influence on LLDB

The LLDBs, whose tribulations have been described earlier, are the victims of extremist political parties or factions who promise the amelioration of their living conditions. They are led to strikes, demonstrations, and even political activities linked with the trade unions under the hegemony of such parties.

Negative Neutrality

Under multi-party democracies, where coalition ministries are formed frequently with all kinds of combinations, the civil service becomes an instrument in the hands of opposing parties and ideologies from time to time. Consequently, they realize that the best thing to do would be to perform their task only to the minimum extent necessary for their continuance in service. This situation can be called negative neutrality. Political neutrality of the British type presupposes neutrality towards the two major political parties, but it implies positive attitude towards administration. While ideally, for development, positive neutrality is what is needed, in reality, due to political rivalries among several parties and the uncertainties of future developments, civil servants are forced to adopt a 'cool' attitude towards the parties as well as their programmes and even towards development projects. Negative neutrality is a phenomenon spreading fastly in the state governments of India and it may have serious repercussions at the national level too.

CONCLUSION

While the roles and constraints suggested above constitute only a part of the whole developmental syndrom, effort to test the major propositions made under the detailed description of economic development and its bureaucratic implications as well as the few implied hypotheses of social and political category are expected to throw more light on our understanding of development in general. The attempt to study bureaucracy according to the three levels and their respective roles and constraints is meant to induce further studies on intra-bureaucratic phenomena affecting or contributing to development.

WHAT AILS POLICE TRAINING?

G. C. Singhvi

TRAINING is the "process of developing skills, habits, knowledge and attitudes in employees for the purpose of increasing the effectiveness of employees in their present positions as well as preparing employees for future Government positions".[1] It is a well articulated effort directed towards inculcating occupational skill and knowledge in the employees and making them familiar with the objectives of the department to which they belong and their potential contribution in the furtherance of the department's goals. Training, however, cannot confine itself to a mere inculcation of occupational skill and knowledge. It must set a wider goal and be set against a wider background. The function of training is to help employees grow not only from the stand point of mechanical efficiency but also in terms of broad outlook and perspective which public servants need. Training must aim at broadening the mental horizons of the employees and help them build integrity and morale by instilling right mental attitudes on the question of personal and public conduct. Training would thus help employees become people orientated and can set the tone and quality of the organization. Training is accordingly vital to a career service which provides for the recruitment of persons of young age and their subsequent promotions.[2]

In this definitional backdrop, if we broadly survey the spectrum of police training in India—formal training comprising the pre-entry training, orientation training, in-service training and post-entry training as also informal training, content of training and above all trainers' training, we would find that police training has not been so neglected as the training of other public servants had been until recently.

It would be no exaggeration to say that Police departments in India have been more training conscious than any other civilian department. Even the Indian Police Commission of 1902-1903[3] had devoted considerable time and attention to the subject of police training

[1] William G. Torpey, *Public Personnel Management*, New York, D Van Nostrand, 1953, p 154.

[2] A. Avasthi and S. Maheshwari, *Public Administration*, Educational Publishers, Agra, 1966, Chapter XVII, pp. 311-315.

[3] *Indian Police Commission Report*, 1903, para 59.

and had arrived at the conclusion that a Provincial Training School should be established in each of the larger provinces for the training of police officers of and above the rank of Sub-Inspectors, that the Principal of the School should ordinarily be a carefully selected Superintendent of Police assisted by a competent and adequate staff of Instructors, that the courses of instruction should include Criminal Law, Law of Evidence, Police Procedure and Practice and the habits and customs of the criminal classes, that an arrangement should be made for giving practical training in Police Station House work and that special instructions should be given in regard to the manner in which police officers should conduct themselves towards the public.

For the training of Constables, the Commission recommended that Central Schools should be established for groups of districts. In the same manner, they put in recommendations for the training of Deputy Superintendents of Police and Assistant Superintendents of Police.

Police training being imparted then was not found to be satisfactory by the Commission and, therefore, they had made recommendations directed at bringing about improvements in it. All their recommendations were accepted and implemented. And the post-Independence India inherited that police training system from the pre-Independence India.

The fact remains that police training in a tangible and systematized form has been in existence for the last over half a century and, therefore, it would not be proper on anybody's part to think that police training has been neglected. It is conceded that, if subjected to the acid tests of excellence and relevance, police training might be found to be deficient here and there. All the same, it is an incontrovertible fact that police training is not essentially a post-Independence phenomenon as training of most other civil servants is.

That, however, should not make us complacent about our police training (philosophy, programming and execution). Nor should we be a prey to the current training fallacies which could be enumerated as:

"(1) We know what we are talking about when we discuss civil service training;

"(2) Civil Service training is relatively new and has emerged since the outbreak of World War II;

"(3) Training is simple and everybody can train and be trained;

"(4) All training is good, more the training, better the civil service; and

"(5) We know why training succeeds or fails."[4]

On the other hand, our earnest endeavours should be concentrated on bringing about improvements and this could obviously be done if we identify the areas of police training which are afflicted with drawbacks, deficiencies and shortcomings. Once we diagnose the ailments, remedies could be thought out and prescribed for ensuring a cure of the ailment. Let us, therefore, straight away go ahead with enumerating the points, a totality of which would tend to apprise us with what ails police training in India.

II

It is a truism to say that because of low pay scales it has not been possible to attract well educated recruits in the police notably in the ranks of Constables and Sub-Inspectors. To a large extent, this is true of superior services, like the State Police Services and the Indian Police Service also.

This lack or inadequacy of education in the recruits is attempted to be made up by police training. Therefore, police training assumes the role more of education than of real training which is as it should not be. Education has a wider and general role to perform. Training is more specific and has a narrower scope. Not distinguishing between education and training is not desirable.

This malady could be cured either by the Centre and the States insisting on the applicants for police posts having acquired some pre-entry specialized education before applying for recruitment or in the alternative after selection (but before actual entry) these candidates could be made to undergo some courses of education which would tend to make up the deficiency which they have.

Since insistence on pre-entry specialized education is not feasible for certain reasons, most important of which is that no such courses as may cater to the needs of police services are being run by any Schools, Colleges and Universities. Probably they could not undertake the running of such courses because the students who take up the study of

[4] Gerald Caiden, "Reality and Fallacies in Civil Service Training", *Civil Service Journal* (Washington), July-Sept 1970, p. 27-30— abstracted on p. 330 of Vol. 14, No. 4 (October-December, 1970) of *Public Administration Abstracts and Index of Articles*, IIPA.

these courses would not, on the one hand, be able to find employment outside police departments, and, on the other hand, will have to compete with general students for gaining entry to the police services. The situation assumes the form of a vicious circle and tends to reduce the institution of such educational courses to a nullity. The other reason is that the low pay scales as admissible to different ranks of police would not justify any insistence on the applicants having undergone some pre-entry specialized educational courses.

In these sets of circumstances, the latter courses comprising institution of such educational courses by the Central Government and the State Governments and making the candidates selected for appointment to various ranks of police services to undergo these courses by paying them stipends (and not salaries) has inescapably to be chosen. Obviously, such courses will have an accent on criminology and could be termed in the technical language as pre-entry orientation courses.

It has got to be borne in mind that "the quality of the police service is of growing importance as its function demands new and deepening skills. Not only does the role of the police now require increasingly complicated legal and scientific knowledge, but it also calls for training in the social sciences, since the police form a welfare-filtering service to which it needs to identify itself to be able to meet the wide variety of social problems it encounters. If the police officers of the future develop a more sophisticated understanding of the components of crime, they would contribute immensely to the knowledge of delinquent behaviour."[8]

III

Coming to real training, it could safely be stated at the outset that proportionately more time and attention is devoted to the training of superior police officers as compared to the training of Constables and Sub-Inspectors. In some police organizations, Constables receive only institutionalized training. It is not followed by field training. Instead, Constables are posted straight to units after passing out from the training centre. Left to his own devices, a probationer is likely to make many mistakes, and then if he is blamed personally instead of the training system, it will most likely serve as a damper on his enthusiasm.

Actually, training is needed the most in case of Constables and Sub-Inspectors of police who, because of their being low paid employees,

[8] Ben Whitaker, "Police Quality", *New Society* (London), No. 134, July 8, 1965, pp. 14-16—abstracted in *Public Administration Abstracts and Index of Articles*, Vol. 8, No. 9 (September, 1965), pp. 253-254.

do not have the advantage of having had quality education to the extent the superior police officers have.

Moreover, it is the Constables and the Sub-Inspectors who come in touch with the people to a greater degree than the superior police officers. A Sub-Inspector of police and more than him a Constable of police is the man the public think of when the police are mentioned. It is, therefore, to be considered if the grass-roots level is not only to be paid reasonably adequate attention but comparatively more attention than the attention paid to the training of the superior police services.

The existing state of affairs could be compared to giving doses of vitamins to a well fed, healthy and stout man and not administering such doses to a person who is deficient in vitamins and needs such vitamins the most, which indeed is inexcusable.

IV

Our police training suffers from a generalistic tinge. Nobody would mind, nay everybody would welcome a generalistic tinge in police training had there been a specialized educational qualification prescribed for entry to police services. For, if an entrant, who has had a specialized education, is put through a generalistic training course, he would become more balanced.

Here, the difficulty is that our recruitment policies undeniably have a generalistic bias and if in the face of this fact we impart a training having a bias in favour of generalism we would tend to be, as we have been, confusing the whole issue. The training should, therefore, have a bias in favour of specialization. Whatever generalistic training is being imparted at the moment should be replaced partly by pre-entry orientation education and partly by post-entry specialized training.

Institutionalized training given to policemen and police officers is very much tradition bound.* It is still a prisoner of out-dated perceptions. While we do try to take on the look of 'modernization' by adding a spectacular item or two, we are generally highly reluctant in and inexcusably offer stiff resistance to getting rid of dead-wood.

There is more stress on lectures, law subjects (Indian Penal Code, Criminal Procedure Code, Evidence Act and other minor criminal

* And could it not be ascribed to the fact that the police perform traditional functions?

acts),[6] horse-riding and parades (riot drills, bayonet fighting, guard mounting, etc.).

Lectures do not always have the desired impact In some situations, case studies are very much preferable to lectures For example, it is almost invariably a mistake to deal with the 'ethos' of police service by means of a straight lecture. "One can use short case studies on 'incidents' which illustrate typical situations and lead through discussion to a sharper awareness of the everyday importance of standards of impartiality, responsibility, discipline, loyalty, a sense of dedication and so forth. . . . A generalized understanding must emerge from experience of the particular."[7]

More stress on law subjects was understandable when specialized subjects, like investigation of specialized crimes (popularly known as white collar crimes), scientific aids to investigation of crime, intelligence, traffic, crowd control, prosecution of offenders, *modus operandi* bureau had not come up as independent subjects of study.

Learning horse-riding was justified when there were no motor vehicles.[8] Undue insistence on parade was also quite reasonable when the nature of the job comprised the exercise of stiffness and exhibition of smartness only. With change of times, these stresses ought to have been changed and training correlated to needs of the changed times. The training programmes should not feel shy of projecting rapid and all-pervasive social and professional changes.

The syllabi which are drafted for police training courses are very comprehensive and unmanageably ambitious in which it is vainly attempted to cover all conceivable things under the sun. The syllabi are more extensive than intensive. These are more often than not divorced from the real needs in the field. The syllabi have also a pernicious tendency of slowly and gradually becoming more and more academic and are developing academic finesse.

---

[6] "The chief defect of the present system of instruction and examination is undoubtedly 'cramming', with its attendant evils. This is a natural consequence of the emphasis laid at present on Law and Procedure which tends to overshadow all other subjects in the curriculum."—F. V. Arul. "Police Training", *CBI Bulletin*, January, 1971, p. 1.

[7] C. M. Chadwick, "Administrative Training: Notes on Syllabus", *Journal of Administration Overseas* (London), V. 5, No. 3 (July 1966), p. 167-176. Abstracted in *Public Administration Abstracts and Index of Articles* of IIPA; January 1967, p. 5-6.

[8] "The compulsory training in horse-riding is out of date. It is a waste of time, effort and money and may be scrapped. Except as a mode of exercise and recreation, horse-riding is now somewhat of an anachronism." Saying so, the Administrative Reforms Commission recommended training in Jeep driving and motor mechanics to be imparted to IAS officers [Administrative Reforms Commission, *Report on Personnel Administration*, Delhi. Manager of Publications, Government of India, 1969, p. 70].

An example is constituted by the laying of considerable stress in training institutions on the study of the distinction between culpable homicide not amounting to murder and murder as such. While the trainee should be acquainted with the concepts, it is not that necessary for him to master the fine points of the distinction unless he is being trained for undertaking prosecutions in a court of law.

Another example is formed by giving training in the history of finger-prints to investigating officers when what they need to develop expertise in is where to look for finger-prints, how to look for these, how to lift these, how to preserve these, how to send these to the expert for examination, what information to get from the expert and, finally, how to make use of that information in the investigation of the cases.

Thus, the aim should be the development of scientific awareness. The training charter also, if it is to be more purposeful, should be more intensive than extensive. The whole concept of training as set out above has to be imparted a need-based character and structure. It should be able to answer the tests of relevance. While drafting the syllabi, let us pose a question to ourselves, 'What do we expect of a policeman ?'* and then let us formulate the training programme to fit in with that expectation.

V

In institutionalized training, we must be very particular about dissemination of whatever knowledge is imparted in the class room to the trainees. This pre-supposes the necessity of developing good training material and passing it on to the trainees in a form which would enable them to preserve it for time to come. Normally, such literature should be standardized and be in a printed form so that after the lectures are over the trainees might refresh themselves by going through these notes.

In police training, the practice of issuing such training material has not become universal. In some institutions it has been introduced, but it requires to be popularized in all the institutions and in the training of all ranks of police officers.

---

*In the war between policeman and criminal, it is the latter who has got to be beaten. The content of training should, therefore, be related to this task. The training programme should condition the police forces to face the supreme test of this war without mental reservations. (Based on observations of P. V. R. Rao, *Defence without Drift*, Bombay, Popular Prakashan, 1970, p. 121).

The way our trainers (for imparting police training) are selected also leaves much to be desired. It is admittedly a fact that those who are posted to training institutions are generally officers who are not acceptable in field postings. Obviously, with such a lot we cannot expect to build up a nourishing atmosphere for our police training to thrive on.

Another shortcoming with our trainers is that we do not have opportunities open for the training of the trainers themselves. Actually, before being put on the job of training, a trainer himself requires to be trained. The feasibility of establishing a training institute for the training of trainers, therefore, needs to be earnestly considered.

Coming back to selection of trainers, there could be a way in which selection could be improved upon. A qualified junior officer may be selected and accorded promotion for a tenure, say of 3 to 5 years, to serve as a trainer in a training institution. After selection and before actual posting to the training institution, the trainer should be made to undergo a specialized educational course having a direct bearing on the subject he was likely to teach at the training institution.

To illustrate, if we want a good Law Instructor in the rank of an Inspector, we could select a Law Graduate (LL.B.) Prosecuting Sub-Inspector (PSI) who, in addition to having adequate experience of prosecuting cases in a court of law, might have a proved flair for reading, writing and speaking. The PSI could then be deputed to some university to do LL.M. (Master's degree in Law) in one year and then take up the teaching of law at the Police Training institute to man which he has been selected.

VI

After receiving institutionalized police training, police officials are posted in the field and attached for field (or practical) training with certain officers. These officers more often than not do not take any personal interest in this training. The success of such training, however, depends, by and large, upon the experience and seniority of the superior officer and his interest in the new entrants. For certain reasons, some of which may be real and some imaginary, it has, however, not been possible for the officers to take the requisite interest. The trainees are, therefore, left to learn through the trial and error method. This situation is unpromising, indeed!

The problem is how to motivate these trainers to take interest in their trainees. One of the ways could be to so devise the departmental

examinations which follow the field training that the trainees are compelled to develop a bias towards practical work. At the time of interview for departmental examination, case diaries of cases investigated, memos and notes prepared, inspection reports written, proceedings drawn, etc., in the hand-writing of the trainee, should be produced before the board and the officer under whom the trainee received his practical training should be made to be present at the time of this interview so that he may know what is the performance of his trainee.

Such a system is most likely to enthuse the officer entrusted with the training of new entrants to take due and active interest in their training. When stress is laid in departmental examinations on the production of notes, etc., written in hand by the trainee, the trainee will also take more and energetic interest in his non-institutionalized police training.

One of the shortcomings of police training is its duration. The training courses both institutionalized and non-institutionalized extend over an unduly long period of time with the result that the trainees get bored and lose interest and enthusiasm in training being given to them. This could be cured by inducting the sandwich pattern of training.

To illustrate, in the training of Sub-Inspectors, if the institutionalized training course extends over full one year, followed by one full year of training in the field, the two year training could be broken into four parts: 6 months' elementary training at the institute, 6 months' elementary training at police station and with a prosecutor, 6 months' advanced training again at the institute and finally 6 months' advanced training in the field. This will not only provide the trainee with a welcome change but would go a long way in making him understand the fine points of the advanced training because of the experience that he will have gained during his attachment at the police station and the prosecution officers.

The training on the sandwich pattern should be rounded off with debriefing, say for three days, during which the trainees give an appreciation of their training and get ready for permanent posting.

VII

Informal training should also find a place of pride in the training programmes for the police. In informal training, an official gets his training even without his knowing it. And it takes the shape of conferences, seminars and discussions. Similarly, books and journals on

subjects like criminology, including police science, also add to the material for this informal training. In conferences, seminars and discussions and through books and journals on professional subjects, a police official would learn a lot and thereby add to his knowledge of police working.

Supervision exercised by a superior officer over the work of a subordinate officer and guidance imparted to the latter in person or through correspondence also adds to the experience and training of the latter. Supervision through periodical inspections also considerably adds to this type of training. While these are being attended to, what needs being stressed upon is that instructions issued and inspections conducted by superior formations are as good a part of the training programme for the subordinates as any other item of non-institutionalized training. Regrettably, this awareness is not present to the extent it ought to be. If this awareness is developed, police training will assume a new complexion and supervision become more humane.

In the working of a department like that of police having a quasi-judicial role to perform, the importance of knowledge of rules, regulations, and manuals cannot be underestimated.[14] If these are written in a simple language and in easy style, they will serve as friends, guides and philosophers for all the police officials. Making references to these volumes would in itself be a training of considerable importance to the police officials.

The tendency at the moment is to have very voluminous Police Rules which are unwieldy and difficult to be amended from time to time. Viewed from the angle of imparting training through the medium of these, it would be in the fitness of things if small volumes relating to particular functions are published. For example, a volume each could deal with Police Stations, preventive action, prosecution, Railway Police, Radio Police, recruitment and promotions, training courses, CID (Crime Branch), CID (Special Branch), Accounts, etc.

VIII

Properly devised police promotion policies could advance the cause of police training to a great extent. If promotions are accorded

[14] The policeman's art consists in applying and enforcing a multitude of laws and ordinances in such degree or proportion and in such manner that the greatest degree of protection will be secured. "... a true balance must be kept between personal freedom on the one hand and social security on the other." (Sir Alfred Denning, *Freedom under the Law*, London, Stevens, 1954, p. 6).

by conducting examinations in theoretical and practical subjects necessary for police officers of that rank, a study of these subjects will enable the aspirant for promotion to impart training to himself therein.

Similarly, once a policeman is approved for promotion to the next higher rank and in terms of the promotion procedure he is obliged to undergo a promotion cadre course which would render him more fit to discharge the duties of the next higher rank, this would certainly amount to imparting institutionalized training to him and this is very necessary to enable an official to do justice to the responsibilities that he will have to shoulder in the higher rank.

Planning of postings inevitably plays a significant role in police training. If we rotate people from line jobs to staff jobs and *vice versa* and similarly from State Government jobs to Government of India jobs and *vice versa* in a rational manner, it would amount to imparting the right type of training to police officials.

By rotating an individual between line jobs and staff jobs (and in case of IPS officers in addition thereto between the State Government jobs and the Government of India jobs) we get the best out of him.

They say the best training in any service is provided by the actual doing of the jobs for which the service exists and since line and staff jobs, and in case of IPS officers, State Government jobs and Government of India jobs or the jobs for which police services exist, such a rotation as envisaged herein would amount to imparting excellent training to police officers.

At the moment, police officials do get rotated in line jobs, staff jobs, State and Union police jobs. The drawback, however, is that the rotation is neither equitable nor rational. Some officials work mostly on line jobs; others work mostly on staff jobs. A regular two-way flow is conspicuous by its very absence. This causes a disequilibrium which could be set right by declaring staff jobs as small promotions in ranks for those holding line jobs. Similarly, Union jobs could also be declared to be promotion posts for officers holding the same ranks in the State. In this manner, every official will be obliged by turn and in rotation to serve on line, staff, State and Union jobs and thus have the privilege of learning while earning.

The training of police personnel manning the specialized Central Police Organizations, like Central Bureau of Investigation (CBI), Central Intelligence Bureau (CIB), Border Security Force (BSF), Railway

Protection Force (RPF) and other Security Forces could be organized on a sound footing if these organizations, on the analogy of States, have their own cadres of subordinate police officers, Depty Superintendents of Police and Indian Police Service Officers.

These Central Police Organizations jointly or severally, depending on the quantum of their strength, have their own cadres of IPS. And the CIB, CRP, BSF and RPF will have bigger cadres of IPS than the biggest State of India. The Constitution of India, it may be stated with emphasis, permits the setting up of such cadres common to the Union and the States.

Once these Central Police Organizations have their own cadres of IPS, the IPS Officers belonging to these cadres could be sent out on deputation to States just as States send their IPS Officers on deputation to the Union Government. This will be in the interest of a well balanced and synchronized growth and development of the State Police as well as the Central Police Organizations. Moreover, specialized training programmes could be devised by all these organizations for all officials belonging to their cadres which in turn will do a lot of good to the health of the Indian Police as a whole.

IX

A comparatively unexplored area of police training is the (lack of) imparting of police training to Magistrates. The training programmes for Magistrates, whether they are judicial magistrates or executive magistrates, are not being so formulated as to give them a penetrating insight into the working of the police.

Administration of police in a district, which vests in the District Superintendents of Police, is subject to the general direction and control of the District Magistrate. And this general direction and control is to be exercised as laid down in the Police Act (V of) 1861.

Every arrest by the police has to be intimated to the trying Magistrate, same is the case with the searches by the Police; remands to Police custody are granted by Judicial Magistrates; chalans and final reports in cases investigated by the police are entertained by them; convictions and acquittals in cases investigated and put up in courts by the police are within their powers; cases under the preventive sections of the Code of Criminal Procedure are decided by the executive magistrates; and on, top of it, all magistrates can pass strictures against police.

Not only that, the magistrates are (and quite often these days) supposed to handle agitating and violent crowds and mobs and quell riots with the help of the police. They are also required to hold (magisterial) inquiries into the use of force (lathi charges and firings) by the police on the citizens.

Taking a totality of all these circumstances one would be inclined to feel that magistrates who have got such vast powers of control over the police should be imparted institutionalized and non-institutionalized police training. To put it the other way round, any programme of police training will be woefully incomplete if it does not envisage the imparting of adequate police training to judicial and executive magistrates.

X

Because of prejudices, police training gets a low priority and is treated as an unavoidable expense and not as a productive investment.*

"The world is changing more quickly and dramatically than any time in history. Police officers throughout the world face challenges without precedent. Never in history has the policeman's job been more difficult. The days when you could take a man who was honest and physically superior, hand him a stick, a gun and a badge and make a good policeman out of him are gone for ever. The future in law enforcement belongs to those who prepare for it."[11]

Police force is really a profession. To be a professional, a policeman must have a professional background and professional attitude. "To be truly professional, the law enforcement officer must take advantage of every educational opportunity, do everything possible to improve his own proficiency, then do his best to pass along his knowledge and experience to his subordinates."[12]

The actual state is, however, different. Provisions for grant of study leave to police personnel to increase their educational and professional qualifications do exist but they are not liberal (in the sense that these entitle the incumbent to payment only of 50 per cent of the salary during the study leave). Nor are study leaves not only not

*Maybe the modern concept of training being a productive investment is not meant for consumption of police departments. Instead, it is meant for newer and more glamorous departments.

[11] Evelle J. Younger, "Challenges to Police in Changing World", *The Indian Express*, February 21, 1969.

[12] *Ibid.*

encouraged but rarely granted. Study leaves could usefully be granted on liberal terms for studies in public administration, police administration, personnel management, criminology, criminalastics, police science, sociology, law and psychology, which have a direct bearing on the working of the police.

Similarly, facilities for the accord of permission to police officials for prosecuting further studies in the evening classes and through correspondence courses, wherever they exist, should also be liberally extended. "An officer who is willing to give up his evenings to further his education is bound to have in him a lot of leadership qualities."[13] And this observation equally well applies to those who are anxious to avail themselves of the opportunities provided by correspondence courses.

This reminds me of a couple of pertinent observations made in this respect in articles which I read sometime ago. These were:

> "Mankind is prone to treat symptoms rather than causes . . . In this day when the doors to the cosmos are slowly being pried open by the brilliance and inventive foresight of some men, there are others who steadfastly resist progress. Little comparable change has taken place in police doctrine over the years. The police officer is still pretty much in the middle when it comes to labour violence, race-riots, civil disturbances and disaster. A great need lies here in the field of theoretical thinking."[14]

> "Universities are the best places to provide such higher education and to inculcate a breadth of outlook which is indispensable for successful police work. This breadth is vital because few people have the power to touch the lives and liberty of the people so directly as a police officer. The police service would certainly benefit from a strong leavening of higher education."[15]

Then police training is still a territory in which controversy is abundant. Reason: There has been no planned critical re-appraisal of the training that has been imparted so far. These controversies could be set at rest if attempts are made at scientific evaluation of the impact of training programmes and activities. Though it is difficult to establish a standard of measurement for the impact of training

---

[13] Clifford L. Scott and Bill Garett, *Leadership for the Police Supervisor*, Springfield (Illinois), Charles C. Thomas.

[14] *Ibid.*

[15] Ben Whitaker, *op. cit.*, p. 234.

programmes, a serious attempt should be made to find out how the performance of the past trainees is influencing the police departments. Results of such a fundamental research on police training should be "stimulating, intriguing and fascinating".

XI

All said and done, it has to be realized that training has its own limitation. The "ultimate success of any training programme rests upon a wise recruitment policy".[16] Recruitment is of vital importance to the administrative structure for it determines the tone and calibre of the public services and on it rests "the nature and degree of usefulness of the administrative machinery to the service of which the human elements are dedicated".[17] Recruitment is key to a strong public service and is the "corner-stone of the whole public personnel structure".[18] Training may, to some extent, make up for small deficiencies in the recruits but it cannot go to the extent of "rectifying the original error". "Nor can training endow its recipient with the flair for police administration which is something in-born"[19] and has to be assessed at the time of recruitment. Training can certainly stimulate this flair in the trainee but it cannot enable him artificially to acquire it.

Whatever metal any department gets by recruitment, is moulded by training into a finished product.[20] Obviously, if the metal is not free from defects, howsoever good the moulding may be, the finished product cannot be free from defects. After the finished product is put to use, then also it requires polishing, cleaning and repairing. This, again, is the role played by in-service training. All the same, however, the fact remains that the moulding of the metal into a finished product and polishing, cleaning and repairing the finished product, by and large, rest upon the quality of the metal. It is good in these circumstances to recall the following observation of the Planning Commission: "Next to recruitment, the training of personnel has considerable bearing on administrative efficiency."[21] And this is what should carefully be

16 A. Avasthi and S. Maheshwari, *op. cit.*, p. 319.

17 E. N. Gladden, *The Civil Service: Its Problems and Future*, London, Staples Press, 1945, p. 64.

18 O. Glenn Stahl, *Public Personnel Administration*, New York, Harper and Brothers, 1956 (4th edn.), p. 39.

19 A. Avasthi and S. Maheshwari, *op. cit.*, p. 319.

20 "During the next few years, the rate-payer must be made to realize that if he wants the best protection available from the police, then police conditions and pay must be made sufficiently attractive to induce the bright boy leaving school or college to join the service."—Norman Lucas, *The C.I.D.*, London, Arthur Barker, 1967, p. 205.

21 Planning Commission, *Administration and Public Cooperation*, Delhi, Manager of Publications (Government of India), 1954, p. 123.

borne in mind by all those whom destiny has placed in a position to ascertain the basic shortcomings in police training and devise ways and means for removing these.

Police training has its own ailments but what is required to be kept in full view is that ailments of recruitment which are more numerous should not confusedly be taken to be ailments of training. A distinction has got to be made, and circumspect endeavours put in to cure the ailments of police recruitment simultaneously by embarking upon a sustained programme for curing the ailments of police training.[23]

[23] What needs clearly be borne in mind is that "training is any learning that establishes a pattern of behaviour in a work situation" the pattern of behaviour that is required in a civil service cannot be isolated from recruitment, allocation, probation, transfer, promotion and salary patterns."—Gerald Caiden, *op. cit.*, p. [illegible].

ALL INDIA SERVICES—THEIR ROLE AND FUTURE

C. K. Kochukoshy

WHENEVER we come across any reference to the All India Services, we naturally think about the Indian Administrative Service. Like the purchase of the goodwill of commercial institutions, we also think of the Indian Civil Service, and sometimes forget that services like the Police, Forest, Health and Engineering, do or will form part of the All India Services, today or tomorrow. Another fact which is very conveniently forgotten, is that the portals of the All India Services are already open to all good graduates in practically all subjects, such as engineering, law, agriculture, geology, statistics, etc. It is even open to graduates in medicine, if they have a basic degree in arts or science. It is open to the poor and the rich as much as to the so-called high castes as well as the scheduled castes. It does not discriminate against caste, creed, sex or language. The only restriction is that candidates appearing for the tough examination must be good graduates, within the age limit of 22-24, with the usual relaxation to the scheduled castes and scheduled tribes. But only the best are selected depending upon vacancy. This much introduction is necessary as a background to any discussion on the role of the All India Services and their future.

Assumptions Behind the Idea of the All India Services

When the British East India Company came to India for trade, they realized that some sort of territorial aggrandization was necessary for the successful prosecution of their business. This was followed by a process of military conquest in India and transformation of the company into a governmental wing in England. While the Secretary of State in England assumed the governmental responsibilities of the East India Company, the consolidation and administration of its territories in India, necessitated the setting up of an efficient cadre of officers, impartial and loyal, and at the same time, intelligent and powerful. The evolution of such a cadre was found to be possible only if the principle of 'catch them young', was adopted and necessary training was given to those so caught. In the formative stages of the British Empire in India, the cadre had a very clear set of functions to perform— ruthless consolidation of the empire, and collection of revenues, while maintaining

law and order. This is epitomized by the slogan "put down the ri and put up the file" which the officers followed. I do not want to dila at length on the history and development of the Services, becau these are fairly well-known. The District Officer became the king of the district administration. Whatever might have been the inhere defects of a foreign rule, we do not charge the British with inefficien in administration. The British were very clear about the purpose their administration, and to achieve this, they invested their admin trators with all necessary power and supplemented it with trust a support. The result was that after a century of administrative expe ence, the Indian Civil Service came to be known as the most effici cadre of administrators in the world.

After Independence

When India became free in 1947, the leaders of the country ha difficult choice before them—whether to continue the steel frame w which the British contained the Indian challenge or to abolish the fra altogether. I was an officer of the Government of India at New D even before the country became Independent. There was speculat in the capital about the fate of the All India Services. There w then other services besides the Indian Civil Service, like IP, IES, I etc. A large number of British Officers decided to quit the cou alongwith the British Government. All the officers of the Governm of India who remained were given options – (*i*) to continue in India (*ii*) to emigrate to Pakistan. This option was given not only to All I Service Officers, but to others also. Officers belonging to India, myself, had absolutely no difficulty in making the choice. To cu short, after the agony of partition was over, officers of the residu Indian Civil Service and other services suddenly found large numbe vacancies in the country in various higher echelons, to which they w promoted. It must be said to the credit of our national leaders, Pandit Jawaharlal Nehru and others, that they all accepted the sug tion of Sardar Vallabhbhai Patel to maintain the integrity and sta of the All Indian Services in order to use them for building a renas India When the Indian Constitution was finally adopted, provisi were kept in it to safeguard the interests of the Services, not only of India Services but of all Services. By this, the people of India accep the necessity of special administrative services (including Police Serv and with it the assumption underlying the organization of an effic cadre of officers. Leaders in the field of business, politics, trade un activity, science or social service will all have to agree that a cadre workers, charged with the fundamental responsibility of any organ tion is necessary for its success. If there is difference of opinion on

necessity of such a cadre, it is an entirely different matter. But the Constitution of India, having accepted this and believing that any organization with executive responsibility must have such a cadre, we can proceed to study the role and future of the All India Services. We all know that even among political parties, only those which have developed an efficient cadre of young and enthusiastic workers can manage to acquit themselves creditably at the polls. That is why all parties now emphasize the need for such a cadre of workers. If it is found so useful to political parties or social organizations, it will be a fortiori indispensable to a Government which has to solve all the problems of an entire population.

Evolution

I have been a witness of the slow (or shall I say fast) evolution of the role of the All India Services. One thing I have noticed is a slow but steady corrosion of the importance of their role. While some of the very senior leaders of Government, like Jawaharlal Nehru and Sardar Patel, were particularly careful to see that the image of the services was not tarnished, there were others who did not share this view. I know that Shri Nehru used to treat the senior Secretaries of his ministries almost like colleagues. He was very informal with them and was known to be in the habit of occasionally dropping into their rooms. He must have had in his mind the British pattern of this relationship. In that old pattern of democracy, politicians and civil servants maintained their college-campus relationship, even addressing each other by their first names. Very often they would have been class-mates, with the only difference that while one group joined the services, the other group went to politics. This sort of happy and smooth relationship must have developed in England, after a few centuries of evolution. In India, on the contrary, we had to start with a back drop of strained relationship between the ruler and the ruled. Therefore, during the last two decades, the evolution of this relationship has been a lopsided one tending to corrode the prestige of the services despite our top leadership. This corrosion took different forms. For example, when India became free, and even today, an officer like the District Collector is recognized as the chief representative of the Government and also of the Governor and the President, in the district. About one-and-a-half decade ago, the District Collector at his official residence was allowed to fly the national flag. He was also allowed some perquisites, like guards at his residence, etc. These concessions to his position in the district were steadily removed one by one, so much so that the Collector today is treated as any other officer, though he still plays the role of the chief representative of the Government in the district. If

we confuse the concept of privilege, it can be argued that even a steno grapher or personal assistant to a Deputy Secretary is a privilege whic should be abolished. I am not referring to Privy Purse. Anoth reform was to prohibit the use of service appellations with the nam of officers in official correspondence. Have we gained anything b this corrosion of their status? Perhaps we can satisfy ourselves by sa ing that in a democratic country with a socialistic pattern of societ all privileges must go. But can we classify these as privileges? The may be privileges which go with personalities and there may be priv leges which go with official functionaries. The latter 'privileges' a coterminus with the responsibilities. It is not clear to me as yet, wh advantage the country has gained by such reforms. But it is clear t me that they have divested the Officers of certain advantages, which th State could have derived, say through the better image of the head of th district administration. Top leaders of Government, like Ministe will have a better image in the district if they are received by office themselves enjoying a better image. For a District Officer, such a image will always be useful, especially in times of crisis, like commun disturbances, natural calamities, riots, etc. There is a saying that " there is no God, we must create one". I would say that if there is n good image for an officer of the Government we must create it. It is necessity for us. But we have failed in this. In the steady process denigrating the image of the services, we find that contributions hav been made by different sections of society. Those who cry hoarse ov the need for impartiality of officers, really mean impartiality in all cas except those in which they are interested. No doubt, certain ind pendence and security are provided for the All India Services, but tho members of the service who depend upon this security in the cause honesty and justice are misunderstood and maligned at times.

Some Wrong Concepts

The criticism of the All India Services very often arises from certai wrong concepts and political notions. As I have already said, the fir one is the concept of privileges. It was difficult for the rank and file political parties, soon after Independence, to recognize the Distri Collector as a symbol of the democratic Government situated at Ne Delhi or the State Capital, as most of them had seen him a few yea ago, as the oppresive machinery of a foreign power. Therefore, th assumption that the District Collector continues to be a spokesman imperialism persisted in the minds of the local leaders.

Secondly, the holding of general elections all over the country through adult franchise, produced a perspective in which the powerf

machinery of the All India Services was mistaken as an anachronism. There was an assumption that democracy and bureaucracy were mutually incompatible. This conflict continues even now to haunt the not-so-well informed sections of our public life. Even in such a highly conscious democracy, like France, a powerful bureaucracy, such as the prefects, is not only tolerated but positively encouraged. Our civic leadership should understand that the political instability of France is compensated only by the permanent stability of its powerful bureaucracy. The two are not incompatible.

Thirdly, the freedom of speech and the protection of legislative forums were utilized with vengence for the continued criticism of Government. Of course, there is nothing wrong in this. But very often the criticisms naturally turned against individual executives of Government who could not defend themselves. The logical development of such spate of criticism was the creation of a very distorted image of Government and an impression that all that was done was very bad, and all that was bad was due to the All India Services. The other services which man a much larger number of posts were naturally forgotten while the apportionment of blame was made. This might not have been deliberate, but this betrayed proper appreciation of the distribution of governmental work. It is true that a large number of the policy making posts were occupied by members of the All India Services. But even the process of policy making was determined by the larger policy orientation of the political parties which wielded authority. The result is that the discredit for all the mess in which we find ourselves is squarely placed on the shoulder of the All India Services, whereas the political parties vie with one another for claiming the credit for anything good. This is a bad distribution of responsibilities. In my opinion, the truth is that India has made very great achievements after Independence, and the credit for this should rightly go to the All India Services and other services which were implementing the policies of Government. If there were failures, they were more in the nature of failure to implement the policies properly rather than failure in policies themselves. I do not imply either that the services can disown all responsibility for the failure in the implementation of the policies.

Democratic Control

Another concept that has been confused is that of the nature of democratic control on the executive. We have got elected representatives at the national level, who determine the policies of Government in all subjects of national importance included in List I and List II of

the Seventh Schedule to the Constitution. We have got, at the Sta Level, elected representatives who determine the policy of the Gover ment on all subjects of regional importance, included in List II a List III, of the Schedule. In addition, we have got corporation municipalities and other local bodies, where elected representativ decide local policies. But in spite of all this, the impression created that all this is insufficient and what is important is that each ex cutive officer, must consult local representatives of the people, befo discharging his normal responsibilities. Apart from the doubt abo the character of such local representation, the poor officer is forced give up all his initiative either to do things or not to do things. F anything and everything, committees are set up, instead of laying dov principles which the officer must follow. These committees represe ting, as they do, the complex political situation of the country are at to advise the officers, only on the personal or numerical aspect of subject, rather than its justice or quality. Thus, democracy seeps dov to the common man in a much different form, than the one which the Constitution had visualized it. I wish to make it cle at this juncture that I am not for the permanent immutabili of the Constitution. I would support amendments to it, if necessa But once or till amendments to it are approved, we should abi by it.

Denigration of the Services

Fortunately or unfortunately, the All India Services, had inherit a tradition which was carefully built up during a period of about a ce tury. Free and fearless expression of views, anonymity, honest impartiality, firmness and loyalty to Government were all nurtured the service. These principles are, by and large, carefully observed ev now by the members of the All India Services No wonder, recent a senior politician asked me how it was that we were able to pull on fair well with different governments holding absolutely different politic faiths. The senior officers, however, always run the risk of bei misunderstood when a firm advice is proffered by them. But once decision is made by Government, members of the services are du bound to implement it to the best of their ability, so long as the decisio is constitutional. Till then, no officer should be inhibited from givin his opinion without fear or favour. It will be a bad day for democrac if opinions, of civil servants are prefabricated. It will equally be a ba day, if the civil servants develop the bad habit of silently opposing an of the decisions of Government even against their own advice tender in good faith. Ignorance of these principles has also helped in the de nigration of the services.

Another problem faced by the All India Services and other general services is the controversy between the so-called specialists and generalists. Once the universality of the recruitment examination is accepted, this controversy will lose its edge. Even in a limited field, for example the medical profession, we have specialists and generalists. I have not heard of any specialist, like the gynaecologist or the opthalmologist, demanding that he should be treated as a generalist. They are all proud of their specialities, even though those specialities are confined to particular sections of the body. This should be true in administration also. If a good specialist in any particular field, is brought to the Secretariat, he will cease to be useful as a good specialist and will also be far from a good Secretariat Officer. I shall not develop this thesis, lest I digress.

Once equality of opportunity to compete for the All India Service is granted to a promising young man, at the proper age, he has no reason to complain later about his lost opportunities. Recently, a remark was heard against the competitive examination for the All India Services. It was that a young man might miss the rank just by a mark or two merely becuase he might not have remembered the date of the battle of Plassey or the number of wives which King Henry had. While the insinuation behind this comment is humourous, a basic fact of life is forgotten. The line of demarcation between failure and success in life is always a narrow one. It is so, not only in the All India Services, but in every sphere of competition. The sharpness of the competition is bound to increase with the number of candidates in future. Even at the International Olympics, a decimal fraction of a second may determine the difference between a gold and a silver or a silver and a bronze medal. The earlier all concerned are aware of this the better.

The Future

I do not share the fear of some pessimists that the future of the All India Services is not very bright. Recently, a man of letters was counselling me on this subject. I asked him, what alternative would he suggest for a young intelligent man in India to aspire for. He thought for a while and I could watch his discomfiture, nobody can say that jobs in the private sector will be more attractive in a socialistic society of the future. He paused for a while and said that Advertising Consultancy would be a good field. Out of courtesy, I did not pursue the subject. The fact is that the All India Services still continue to be the most attractive goal for intelligent young men of the country, despite all the corrosion of its prestige. From the remuneration point of view, its old primacy does not hold good any more. In fact, certain posts even

under Government and statutory bodies are already better paid than corresponding posts in the All India Services. The actual pay packet of an officer is very much smaller than what his grade of pay suggests because of the various cuts in his salary including taxes. Our friends, who conjure up an image of affluence for the All India Services, are pathetically ignorant of all this. Considering the responsibilities attached to the posts, the remuneration for the All India Service Officers is thoroughly inadequate. But that is not the issue before us today. The question is whether all this portents a bad future? My answer is 'No', because All India Services are a historical and administrative necessity for a federal-cum-unitary State like India. Already, we are threatened with all sorts of fissiparous tendencies, which may break the unity of our country. As such tendencies grow, they will have to be balanced by administrative arrangements for strengthening the unity of the country. There are sufficient patriotic forces, which will see this danger, and further strengthening the All India Services will be accepted as one of the important steps to be taken. Secondly, as the political complexions of Central and State Governments vary, the mutual dialogue between them, which is so essential and unavoidable, will have to be carried on partly through the agency of the All India Services. Thirdly, the system of communication between the various States and the Centre will be better facilitated through the fraternity of the All India Services, who are occupying responsible positions. The exchange of experience and expertise between the States and the Centre will have to continue so long as India is to remain as a united nation. This is also possible only through the standing arrangement with the Centre for the deputation of cadre officers. In any case, we will be forced to realize the utility of these services in an atmosphere of political instability, which is now afflicting not only Kerala, but many other States as well. Democracies older than Indian, are continuing with similar permanent civil services. As for the idealistic and energetic young men, the services will offer some sort of job satisfaction extant elsewhere. A superior service worth trying for is also a psychological necessity to sustain the competitive spirit of our youth. This is equally important.

Criticism

The All India Services will, however, have to face certain challenges, some of which they are already facing. Some problems are created by officers themselves belonging to the cadre, or to other services under the Central or State Governments. These are officers who turn to politicians, or politician-turned officers who try to benefit themselves, by influencing decision making at various levels. Sometimes, they release statements which are not particularly true, such as the predominance of

the All India Services in this or that sector and their unsuitability for particular jobs, etc. This is sometimes endorsed by quarters which should have been more well informed. The principle of anonymity has been standing in the way of All India Service Officers joining issues with such commentators. However, it has been recently revealed that the number of senior posts in the public sector held by members of the All India Services, is proportionately much less than those held by other services. It has also been shown that some of those who claim better suitability for certain posts are those who secured this suitability by missing higher ranks at the initial competitive examinations.

There is a general impression that public sector undertakings in India, including those in Kerala, are all running at a loss and in most of these projects civil servants are in control. The first point to be remembered in this connection is that State has embarked upon projects generally in cases where private sector is either unwilling to come forward, or unable to do so. There may be a few projects in which it may not be desirable at all to associate private sector. Thus, public sector projects, manned by officers of the various services of Government are really pioneering enterprises where precedents and expertise were not readily available and where private sector had feared to tread. Secondly, it is a well-known fact that any industry will have to undergo a period of gestation before it starts yielding good results. For example, the fisheries corporation which was running at a loss is said to have turned the corner now. Similarly, the Plantation Corporation is also now working headway. What we compare, therefore, is really the old established private sector with the new toddling public sector. Another point forgotten is that the public sector is run honestly with an open book. Here, labour is given a fair deal and workers manage to get away with much more than what they can hope for under the private sector. In the circumstances, blaming the services only for the difficulties of the public sector is not a fair thing. Even then, it can be seen that public sector units, at least in Kerala which have been under the control of officers of the All India Services, have been comparatively better off then others, like T.C.C., Titanium, Premo Pipe Factory, etc. Even the State Transport Corporation, which is now running at a heavy less, is said to have been running at a considerable profit till 1967, when it was managed by an All India Services Officer.

Another criticism is that the All India Services have developed essentially as a law and order machinery and hence not suitable to the welfare and development concept of a modern State. While this criticism might have been true to some extent till the advent of Independence, it is a different story, in the context of new India. More than

any other officer, it is the District Collector, who is most intimately connected with development and welfare. A major part of his time is taken away for such work. His personality is still recognized by the people, and they expect from him, sympathy and impartiality, which they do not readily get elsewhere.

Even otherwise, the assumption that law and order has ceased to be important is absolutely wrong. With the ushering in of our Five Year Plans and welfare ideals, we might have thought few years ago that the keel is now steady for a peaceful progress of the State. But recent developments have shown that the most urgent problem facing our nation is law and order. Breakdown of law and order threatens all plans and ideals. A time has come when it would be quite desirable that even factory managers are made well-versed with the art of maintaining law and order. I feel that emphasis on law and order is likely to continue for a considerable time to come and we cannot forget the All India Services officers. There should be no complacency regarding law and order anywhere.

Another criticism is that officers of these services, who are not supposed to be technically qualified, are put in charge of projects, involving technical knowledge. This is again a criticism which is likely to impress the credulous. For examples I am not willing to accept the contention that only a good mechanical engineer can be a good motor car driver. In fact, very few mechanical engineers would like to choose the profession of driving. Even illiterates can become excellent drivers by developing the attitude for driving, though the machine they handle is a highly complicated one. 'Administration and management', can be considered also as an applied science, which can be used in any context with suitable adjustments. Like Statistics or Mathematics, which are applied to analyse data in any branch of science, the experience of a modern administrator can be applied to any field of activity, technical or otherwise. For example, in a fertilizer factory, there will be any number of technical experts to advise the management on complicated problems of production. There must also be an accounts man, as well as industrial chemists, engineers, and sales executives. But the coordination of all these units as an efficient instrument, is possible only by a good administrator. Administration itself has become a speciality these days. The trouble with our country is that many novices are experimenting with this speciality, innocently believing in their own infallibility. Having handled technical departments, I had occasion to be confided with the apprehension of certain specialists that they are afraid of partiality if the leadership of a particular technical unit goes to a specialist in a different subject of the same field. Left to

themselves, they would prefer a non-specialist to manage their affairs, so that every specialist gets his due chance.

Conclusion

All India Services were built up as an efficient instrument for administration. After Independence, it has got a universality in recruitment, diversity in training and responsibility, and recognition as a necessity. Modern administration has become complex, and consequently a speciality by itself. The law and order emphasis, which it had, at the early stages, still continues to be important. By and large, it still remains as an attractive goal for young, intelligent and energetic men. Its importance is bound to increase, as the country is to become more socialistic and as the political complexities take time to resolve themselves. But there has been a steady corrosion of its prestige, and a denigration of its image. These are partly a result of certain confused concepts, which only mature democracy can rectify.

One of the main reasons for the deterioration of the law and order situation in various parts of the country is this steady corrosion of the prestige of the District Officers which has been brought about by apparently harmless reforms and casual statements. The depth of this corrosion has not been visualized and its impact on the public has also not been understated. Because the intentions were good, it was assumed that out people were ready to assimilate all this in the proper spirit Unfortunately, this has not happened. For the sake of the unity of India, and for sound administration, strengthening of the All India Services is an absolute necessity The only sector of our public Services, which has not turned to agitation is the All India Services. This very fact proves that the services have already identified themselves with the vital interests of the nation. It will be desirable to promote this identification for the sake of the nation as a whole and the concept of a continuous Government. The attraction which still remains with the service is the job attraction. Even this is slowly being corroded. As far as remuneration is concerned, many posts under government and outside are equally good, if not better. Job satisfaction should not be left as the sole incentive for these services The All India Services are bound to play a highly important role in the future also, considering the complex political situation emerging in the country. But the Government also must ensure that the necessary trust and support are conferred on them and their morale is kept up consistently.

DISTRICT LEVEL COORDINATION IN INDIA
(The Madras Experience)

S. N. Sadasivan

IN the recent times, inventive research has evolved several tools and techniques to aid and simplify the process of management. Nevertheless, a major management function which becomes increasingly complex and still demands a great amount of personal skill and ability is of coordination. In the traditional pattern of administration as government, which normally resists innovation and where conventional methods are largely employed for the puposes of coordination, efficiency is more desired than realized. As an organization assumes more and more functions to achieve its varying or increasing objectives, it has to be suitably modified or restructured to facilitate effective coordination.

In the rapid proliferation of governmental activities in the country, on account of the economic and social commitment of the State to the society, the function of coordination has assumed a new dimension and greater importance.

The system of administration that exists in Madras (Tamil Nadu) is closely identical to those of other States but, unlike its counterparts, it has earned copious encomiums for its efficiency and has evoked caustic comments against its conservatism. From a logical stand-point, this situation would seem to be somewhat incompatible, for in the modern contest of management revolution, administrative conservatism is considered to be hardly capable of producing operational efficiency. A closer view, however, will reveal that the critics are less justified than the lauders because in the post-Independence years, the administration of Madras has undergone observable changes without departing from traditional values.

As elsewhere in the country, in Madras too, the mainstay of administration is the district. The entire process of district administration of Madras is the gradual outcome of a policy of territorial consolidation astutely conceived and efficiently executed by the East India Company, nick-named as 'John Company', by the old folk of the bygone days.

Locus of the Collector

As a commercial concern avidly wedded to the aim of profit making, the Company, as natural to its instinct, was particular in forming its territories into viable administrative units called districts and in evolving for them, a business type of organizational structure, keeping in view 'effectivity' as the rule and economy as the watch-word.

In ensuring the doctrine of unity, each district was placed under the overall charge of a single executive designated as Collector. In a predominantly agricultural country, where land was the primary source of wealth, he was intended to be the chief land revenue officer and, therefore, concurrently the law enforcing agency of the provincial executive comprising of a Governor and three Councillors acting on behalf of the superior authority called the Board of Directors sitting in England. This three-tier system of administration, however, was not a direct introduction but the product of the experience of several decades acquired through a policy of conscious trial and error.

Although the Company started gaining territory as early as 1765 in the east coast, a proper reorganization aimed at uniformity of district administration was brought about only in the first decade of the last century. In 1786, the Board of Revenue was created to be the supervising and controlling agency of the entire revenue administration of the province bringing, thus, all the district Collectors under its authority and jurisdiction The requisite regulations for the constitution and conduct of the Board were first made in 1791 but they were executive in nature. In 1803, a set of statutory regulations entitled "The Madras Board of Revenue Regulations I" was enacted and thereby the Board became an autonomous statutory body—collective in responsibility, and exercising control over the chief executive officers of the districts. Since then, the Board of Revenue has passed through an eventful history, successfully overcoming several proposals and moves for its abolition, over a period of 139 years between 1830 and 1969, from sources ranging from the Board of Directors and the Government of India to the State Cabinet.* But during this period, the Board has undergone several reforms aimed at either modifying or expanding its size, power and functions

The survival of the Board as a subordinate government and its successful resistance against the institution of commissionership for exercising control over the Collectors, are of great significance to the

*The last decision was made in 1969 by the DMK Government but has not yet been implemented.

district administration of Madras. Unlike in several other provinc having Commissioners, in Madras, from the very beginning, th Collector has been bestowed with the position and status for all pract cal purposes equivalent to those of a Commissioner elsewhere and i spite of the rigid classification and proliferation of positions in th administrative pyramid in the later years, he still continues to enjo a status higher than that of an average Deputy Commissioner of an other State. It has been one of the cardinal principles of the Madra administration to hold the Collector as the representative of the Go vernment at the district level with no personal control or supervisio by any intermediate authority and to repose in him such 'trust and con fidence' as is necessary to make him a purposeful link between th Government and the people.

The attitude of the Board of Revenue has always been to guar jealously the position of the Collector, and it has been uniformly cau tious that the exercise of its power of inspection in respect of the distri administration should strictly be limited to functional matters. O the whole, it has been the determination of the Government, as also c the Board of Revenue, that the power, prestige and position of th Collector should fully be maintained in the interest of effective ad ministration of the district and these should not be minimized b superimposing a superior called Commissioner. Another importan factor that has enhanced the status of the Collector and is weighe against the idea of appointing Commissioners, is the large size of th districts of Madras which have through the decades stood the test o administrative viability.

Perhaps, what has more enabled the collectorate type of adminis tration to secure its place, and the Collector, his pre-eminence in th district, is the socio-political attitude of the people of Madras. If th adage, 'a people gets a government it deserves', is true, its corollary, society gets an administration it deserves, is equally true. Except fo infrequent, sporadic disturbances on extreme emotional grounds, th people of Madras have been, by and large, law-abiding and respectfu towards established authority. They have a high degree of politica maturity and social sensibility to conceive the proper dimensions o cooperation with the administration and their traditional propensit is to sustain the legitimacy of organized authority which their fore bears had conceded, unless their inherited convictions are eroded by new ideological situation.

For nearly a century and a half, the district was for the masses o people, a quasi-State, and the Collector who was at its helm, therefore

occupied a position of finality in regard to several matters vital to their life in community. In a society where authority and respectability have still strong inter-relations, the administrative leadership of the Collector could translate itself in large measure into social leadership. And with the changing political philosophy of the State, the role of the Collector is also changed to become really a part of the social dynamics of the State.

The transformation of the State from purely an agency administering law and order into a Welfare State disposed to the realization of socialistic goals not only enlarged the functional sphere of the Collector but made him an important instrumentality for promoting orderly socio-economic growth in the State. He has thus been brought in close touch with the common people more than before in a new context of resourceful leadership. A shift in the emphasis of the Collector's responsibility without any reduction in his erstwhile status and position, has now been observable, from the sluggish, old field of revenue to a new area of vigorous productive activities—the development.

It started with the formulation of the country's development programme in the State in 1952. The community development blocks organized throughout the State were, in the inceptive years, directly controlled by the Government but later on, finding that they required more centralized control and personal supervision, they were transferred to the Collector along with a adequate delegation of executive and financial powers . . . . By the late fifties, the Government had seriously taken up the question of planned development and enacted necessary legislation "the Madras District Councils Act, 1958", which came into force in December 1959. The Act has provided for a District Development Council in each development district* to advise the Government on planned economic development and democratic decentralization. The Collector is *ex-officio* chairman of the District Development Council whose membership is comprised of district level officers of all the departments concerned with development and popular representatives.

The chairmanship of the Council has virtually combined in the Collector two types of leadership, namely, the bureaucratic and the democratic for such a foremost objective as the economic and the social well-being of the people of his district. With the Collector assuming the burden of development, the volume of his work has become unprecedentedly heavy and in according him the needed relief and finding him

*Every large revenue district in Madras is divided into two development districts.

the required time for his new responsibilities, the Government, in 1960, created a new post of District Revenue Officer to whom was transferred the bulk of the revenue functions of the Collector.

When collectorship was instituted in Madras, the whole Government was carried on by two departments, but today owing to a variety of reasons, the Government has grown into a complex organization of numerous departments and agencies. Consequently, the number of district level officers augmented considerably, but, for the Collector, this development has woven round him, an intricate web of interrelationships and it has focused his place and position both in power and prominence so clearly above the others' that his leadership of the administrative fraternity of the district acknowledged by the past, is highlighted by the present. In short, the multiplication of officers at the district level, has only maximized the position of the Collector in conformity with the inexorable bureaucratic truth, singularity thrives in plurality.

In the light of the discussion so far, the locus of the Collector essential for the task of coordination can now be determined.

(*i*) The formation of the territorial unit, termed district, with a single executive at its top, is yet a sound principle which ensures the doctrine of unity and facilitates the unity of command.

(*ii*) In the broad horizontal trisection of the administrative pyramid, the Collector is given the key position of middle manager with more powers, freedom and importance than an average middle level executive in any other organization. This brings in the advantages of efficient communication, better personnel control, quick decision and prompt execution.

(*iii*) The structuralization of the hierarchy has been done so skilfully that notwithstanding the multiplication of vertical lines and the consequent sideward expansion, the Collector still occupies invariably the central place in the district administration assuming functions which gain importance and priority with the changing times.

(*iv*) While big districts have their disadvantages from the administrative angle, in Madras their size has been an overweighing consideration that led to the rejection of the idea of imposing a Commissioner over the Collector, as wasteful and superfluous and the retention of the latter's authority unimpaired.

(*v*) The Government has always held the Collector as its representative in the district and reposed in him great trust and confidence as a valuable liaison between its top management and the people. It has invariably given unreserved support to all his actions taken in good faith and the Board of Revenue has acted on all crucial occasions as a veritable defender of his position, prestige and influence. Further, thec ollective character and superintendence of the Board was a convincing ground for the non-inclusion of an authority like Commissioner in the hierarchical line.

(*vi*) As in social life and politics, traditionalism in administration too is a powerful force that resists change and maintains the continuing order undisturbed. Upon the logic of yesterday, it builds up justification for today. It insists that what was proved to be a palliative for yesterday must be a panacea for today and what was venerable the other day, must be worshipped today. It seeks to project the image of the past to be the unfailing god and exact obedience and loyalty to that being, partly by ornate devices of social acceptance and partly through the pressures of its immortal authority. And there is around the Collector, in contrast to other district level officers, an aura of awesome traditionalism which has a great amount of force and appeal in the official and popular spheres in the district.

(*vii*) The social attitudes and social beliefs and the political predisposition in Madras are conducive to the Collector's continuing as the central authority in the district administration and greatly favour his prominence and leadership.

(*viii*) The change in the role and the shift in the emphasis of the functions of the Collector in accordance with the social objectives of the State, have enabled him to emerge as the key agency for the implementation of the development programme and brought him in a new, dynamic relationship with the people.

(*ix*) The appointment of the District Revenue Officer and Deputy Collectors under-designated as Personal Assistants at the district headquarters for shouldering conventional responsibilities of the Collector, has made available to him the time and leisure necessary for applying his mind more sagaciously to important managerial problems. It also strengthened his span of control and made it more definite.

ie required time for his new responsibilities, the Government, in 1960, eated a new post of District Revenue Officer to whom was transferred ie bulk of the revenue functions of the Collector.

When collectorship was instituted in Madras, the whole Govern-ent was carried on by two departments, but today owing to a variety ' reasons, the Government has grown into a complex organization of imerous departments and agencies. Consequently, the number of strict level officers augmented considerably, but, for the Collector, iis development has woven round him, an intricate web of interrela-onships and it has focused his place and position both in power and 'ominence so clearly above the others' that his leadership of the lministrative fraternity of the district acknowledged by the past, is ghlighted by the present. In short, the multiplication of officers at ie district level, has only maximized the position of the Collector in onformity with the inexorable bureaucratic truth, singularity thrives plurality.

In the light of the discussion so far, the locus of the Collector essen-il for the task of coordination can now be determined.

(*i*) The formation of the territorial unit, termed district, with a single executive at its top, is yet a sound principle which ensures the doctrine of unity and facilitates the unity of command.

(*ii*) In the broad horizontal trisection of the administrative pyramid, the Collector is given the key position of middle manager with more powers, freedom and importance than an average middle level executive in any other organization. This brings in the advantages of efficient communication, better personnel control, quick decision and prompt execu-tion.

(*iii*) The structuralization of the hierarchy has been done so skilfully that notwithstanding the multiplication of vertical lines and the consequent sideward expansion, the Collector still occupies invariably the central place in the district ad-ministration assuming functions which gain importance and priority with the changing times.

(*iv*) While big districts have their disadvantages from the ad-ministrative angle, in Madras their size has been an over-weighing consideration that led to the rejection of the idea of imposing a Commissioner over the Collector, as wasteful and superfluous and the retention of the latter's authority unimpaired.

(*v*) The Government has always held the Collector as its representative in the district and reposed in him great trust and confidence as a valuable liaison between its top management and the people. It has invariably given unreserved support to all his actions taken in good faith and the Board of Revenue has acted on all crucial occasions as a veritable defender of his position, prestige and influence. Further, thec ollective character and superintendence of the Board was a convincing ground for the non-inclusion of an authority like Commissioner in the hierarchical line.

(*vi*) As in social life and politics, traditionalism in administration too is a powerful force that resists change and maintains the continuing order undisturbed. Upon the logic of yesterday, it builds up justification for today. It insists that what was proved to be a palliative for yesterday must be a panacea for today and what was venerable the other day, must be worshipped today. It seeks to project the image of the past to be the unfailing god and exact obedience and loyalty to that being, partly by ornate devices of social acceptance and partly through the pressures of its immortal authority. And there is around the Collector, in contrast to other district level officers, an aura of awesome traditionalism which has a great amount of force and appeal in the official and popular spheres in the district.

(*vii*) The social attitudes and social beliefs and the political predisposition in Madras are conducive to the Collector's continuing as the central authority in the district administration and greatly favour his prominence and leadership.

(*viii*) The change in the role and the shift in the emphasis of the functions of the Collector in accordance with the social objectives of the State, have enabled him to emerge as the key agency for the implementation of the development programme and brought him in a new, dynamic relationship with the people.

(*ix*) The appointment of the District Revenue Officer and Deputy Collectors under-designated as Personal Assistants at the district headquarters for shouldering conventional responsibilities of the Collector, has made available to him the time and leisure necessary for applying his mind more sagaciously to important managerial problems. It also strengthened his span of control and made it more definite.

(x) The augmentation of the district level officers has made the Collector's position more conspicuous and gained for him more importance, both in terms of personality and authority.

Focus of Coordination

It is the locus of the Collector at the hub of the district administration that projects him as the principal coordinator and enables him to perform the task of coordination.

Coordination is the dynamic process of bringing together the constituent parts of an organization in harmonious and active interrelationship, so that each part in its turn would perform its assigned functions within the allotted time towards obtaining the anticipated total results of the whole. It presupposes that the organizational structure is in sound condition, that the division of function is scientific and that the man behind each job is competent enough. As coordination is the art of applying personnel to functions in mutual relationship, the question of span of control is of special significance to it. In a sense, it is a consistent and concerted effort to bring about organic cohesion for efficient operational unity and as such, it demands a high degree of intellectual power and constructive insight to discern the varying psychological trends and emotional conflicts prevailing within the organization and to arrange or group persons in proper interrelationship at different levels of responsibility.

To bring together and motivate individuals of divergent temperaments, attitudes and opinions, require managerial skills of rare quality. On the one side, when coordinative effort would move to help evolve a policy, on the other, it would be concerned with transmitting, explaining and executing it. Creative intention in the formulation of policy and creative response in its acceptance are essential to successful coordination. The interdependent groups in the organization should be effectively linked by an efficient communication system to be informed and inspired by an able and enlightened leadership in their daily intercourse. Thus, in a way, the essence of coordination is to be sought in the efficacy of a communication system properly exploited by an intelligent leadership, capable of invoking team-spirit and stimulating the sense of partnership and of timely self-assertion.

It is well-known that specialists and technical experts are often disinclined to accept the line authority unless it is exercised with utmost caution in an atmosphere of friendliness and cordiality. The task of the coordinator will become enormously difficult, in an organization employing specialists, if he fails to develop healthy informal organization and

takes to authoritarian logic and archaic criteria of self-esteem. Clear demarcation of the lines and levels of responsibility, correct assessment of the abilities and skills of personnel in relation to the tasks assigned, proper dissemination of information in regard to the purpose and methods of performance, encouraging collaborative thinking, and creation of congenial atmosphere for cordial interactions of groups will smoothen the ground for orderly coordination. A wide range of tools, such as orders, instructions, directions, system of suggestions, manuals, charts, informative material like hand-outs and bulletins, meetings, conferences, staff agencies and formal and informal group discussions, is available for accomplishing the task of coordination, and it is for the coordinator to choose from it the best suitable for his work and to find or forge new ones to meet any deficiencies which he has discovered.

The power on which the coordinator should rely in the normal course, should not be the power of the organization but of organizing, not of his position but of persuasion and not of his reaction but of reconciliation. He must not dictate but be prepared to hear, understand, argue and convince.

PHASES OF COORDINATION

The fronts of activities where coordination is to be effected by the Collector in the district administration of Madras, are chiefly four, namely, the district headquarters, the field of revenue, the field of law and order, and the development field, which of course is the foremost because it is here the Collector leads the district level officers of all production-oriented departments and, therefore, the most delicate as well as burdensome part of his responsibility lies. By heading the team of district level officers, the Collector has become indirectly responsible to various line departments. The political executive, for reasons of its own, also contacts the Collector for numerous things the nature of which at best is inferable. All these, while tend to enhance the importance of the Collector, make his responsibility, by and large, amorphous and to a large extent unenforceable.

New functional burden for the old organizational structure is a chronic ailment of the district administration of the country that Madras has attempted to cure only in part. The progressive changes it has brought about in the district, are mostly in the field of democratic decentralization and are either supplementary or substitutional in substances. If the main object of coordination is to provide organic cohesiveness and soundness for the evolution of policy and its systematic execution through a series of decision-making, there must be structural

adequacy to satisfy the functional demands, and the division of responsibility should be so specific as to make its location and fixation quick and certain. Even the structural modifications that Madras has effected by supplanting the time-honoured District Boards, which were undoubtedly a successful experiment in local self-government, with the new District Development Councils, have neither contributed much to the organizational expansion nor solved satisfactorily the intricate question of responsibility.

District Headquarters

In most districts before 1940, the Collector had all alone applied himself to the job of coordination of the revenue administration for he had no assistant of gazetted rank to share the burden with him. In fact, the purpose or advantage of this gazetted ordination still remains partially obscure, and the concept yet fostered in the Indian administration that only officers can shoulder responsibilities, needs to be re-examined, especially in the light of the instructive experience of two departments, *viz.*, the Posts and Telegraphs, and the Railways. The peak years of World War II, had brought for the Collector his first gazetted assistant and with the beginning of the development activities, the number of the post was increased. Today, in the headquarters, the Collector, as also the District Revenue Officer, has on an average the direct assistance of three gazetted subordinates on the revenue side, and has one exclusively under him for panchyat development.

Any programme of coordination should first include the central office and be executed there. It is the matrix of all administrative process and unless it is set in order there will be dislocation and disorder in the subordinate offices and field units. Confusion in the central office will create conflict in the subordinate offices. The collectorate is the control room of all field operations, the nerve centre of communication and the seat of authority and leadership of the district, and coordination there, is a prerequisite to the coordination in other areas. A well-coordinated and efficiently run central office is the public guarantee of effective district administration.

The Personal Assistants on the revenue side have no territorial functions or field duties, and they carry out intersectional coordination within their respective spheres of responsibility at the district headquarters. Social customs and administrative courtesy have combined to generate a climate in the Madras collectorates, ideal for mutual assistance and mutual subordination among the equals more so among the principal assistants of the Collector, that hardly any special effort is

necessary on the part of the Collector towards coordination at their level. Nevertheless, in view of the importance of the central office, he cannot adopt a complacent attitude and has to exercise personal supervision on its working, if the process of coordination is to be successful. Due to his multifarious responsibilities and frequent tours, it may not be possible for the Collector to review periodically the functioning of all the branches and principal sections of his headquarters and he should have to rely on delegation more by working arrangement than by formal orders, to keep them alert and steady with their performance. But as practice stands, on the revenue side in particular, the burden of coordination is shouldered by the Collector's near-equal at the central office, the District Revenue Officer. While the purpose of the creation of the District Revenue Officer is obvious, it would be a sound proposition if the District Revenue Officer is made, in more certain terms, the alternate head of the collectorate in the absence of the Collector and is associated fully with his efforts of coordination by the Collector.

Field of Revenue

As a middle level executive, the District Revenue Officer has complete and independent control over the statutory matters pertaining to the revenue administration of the district, and from his decisions appeals lie only to the Board of Revenue. There is a clear delineation of functions between the Collector and the District Revenue Officer; nevertheless, the former's ultimate hold over the revenue administration is retained as the authority controlling all non-statutory (general) matters and the initiating officer of the confidential report on the latter. Coordination of the revenue administration however, cannot singly be done by the District Revenue Officer despite his functional independence, in the existing duality of the control of the staff and the division of their loyalty. The officers of the immediate subordinate position, namely, the Sub-Collectors (if they are members of the IAS) or Revenue Divisional Officers (if they belong to the State service) are under the administrative control of both the Collector and the District Revenue Officer, while the three personal Assistants, respectively for general administration, miscellaneous matters as income-tax and loans, and land acquisition, are common to both. Again, both are Additional District Magistrates and have equal powers of inspection and for conducting the annual assessment review, like *jamabandi*.

The machinery widely in use for eliminating administrative bottleneck and coordinating the revenue activities, is the meeting of the Revenue Divisional Officers and Sub-Collectors which is convened whenever necessary, by the District Revenue Officer, in consultation

with the Collector, and over which, as far as convenience would permit, the latter presides while the former takes the second place. Successful coordination in the field of revenue is, therefore, a matter of mutual understanding and agreement between the Collector and the District Revenue Officer and their ability to pull together for single-minded action.

If their formal relations are founded on mutual trust and their informal relations are good, the Collector can safely entrust the whole task of coordination of the revenue side, to the District Revenue Officer extending such support and advice to him as would be necessary for its timely accomplishment.

The revenue administration in Madras is governed largely by four instruments, namely, the standing orders of the Board of Revenue, the instructions issued from time to time by the Board, the Manual of Village Accounts, and the Settlement Manual. The Collector is free to issue, in conformity with these instruments, any instructions or orders which in his own opinion, are necessary for efficient management of the revenue affairs in his district, more especially for coordination.

Law and Order

A heavy responsibility which the Collector has been bearing through the various vicissitudes of the district life, is of law and order. The problem of public peace and tranquility is an enormous and complex one in a democracy, as the people who live within its framework, have an inherent right to resort to agitational means to force those in authority to be responsive to their demands when constitutional means are either inadequate, exhausted or unsuccessful.

Bureaucratic memory is prodigious for autocratic methods in democratic situations and this often leads to untoward happenings which arouse not only social hostility but, at times, widespread mass fury. If the bureaucratic antenna is sensitive enough, the feelings of people can be understood in time and conveyed to the appropriate quarters for adequate relief, and the possible popular challenges to law and order can be converted into productive energies.

The Collector is *ex-officio* chairman of several voluntary social bodies and advisory committees in the district, and if he utilises his personal knowledge and good offices at the right time, he would be able to settle amicably the issues which might otherwise prove to be explosive.

There are quite a few occasions when popular passion had yielded to the tactful persuasion of the Collector and thereby use of force was

rendered a primitive and immoral weapon. The ability of the Collector in maintaining law and order will largely depend upon his ability to feel the pulse of the social forces in his district. Nevertheless, in a representative democracy where several organized groups are constantly active, the political executive, both as the ultimate authority responsible for public peace and security and as a part of the sensitive organ—the legislature—to which it is answerable, cannot leave the question of law and order entirely to the different district authorities to be tackled in different manner and spirit but will have to formulate an integrated approach to it, working out uniform policies and devising methods and techniques for their civilized enforcement. Consequently, the police has been reorganized in Madras reinforcing the authority of the Deputy Inspector General of Police (Range) and providing it with State-wide network of radio communication and a fleet of fast moving motor vehicles.

The hierarchical position of the Deputy Inspector General as the immediate superior of the Superintendents of Police of one range, comprising of a few districts, has evidently strengthened his departmental line. The role of the Deputy Inspector General as the authority supervising and controlling the Superintendents of Police and as a regional coordinator and his direct answerability to the Inspector General of Police, have tended to weaken the authority of the Collector in relation to the Police. The Collector of the City of Madras has little responsibility in respect of law and order which is the business of the Commissioner of Police assisted by five Deputy Commissioners, one each for law and order, crime, traffic, traffic planning cell, and central office management (headquarters administration). The Commissioner of Police is also concurrently the executive District Magistrate for the city.

The Reserve Armed Police of the State is headed by a Deputy Inspector General, and so is the Criminal Investigation Department. Unlike the Deputy Inspector General (Range), the Deputy Inspector General (Reserve Armed Police) and the Deputy Inspector General (Criminal Investigation Department) have jurisdiction over the entire State. A Reserve Armed contingent of ten platoons commanded by a Reserve Inspector, corresponding to the rank of a Circle Inspector of Police, is kept at every district headquarters under the direct control of the Superintendent of Police who is responsible to the Deputy Inspector General (Range) for regular line functions and at least notionally to the Deputy Inspector General (Rerseve Armed Police) for the upkeep and use of the armed contingent.

In all, the Criminal Investigation Department has only two Superintendents for the whole State, and it is represented in the district by an

Inspector who is under the control of the Superintendent of Police but who may, at times, report directly to his superior in the line on such matters as are exclusive to his department.

The restatement of the policy of law and order on an all-State basis at the level of the political executive, the supervision, control and co-ordination of the district police by a supra-district police authority as the Deputy Inspector-General and the loyalty and allegiance of the Superintendent of Police to his superiors, have, if not enlarged the freedom of the Collector in dealing with the problems of law and order, certainly lessened the responsibility of the Collector in regard to the police. However, by protocol formalities, like the Deputy Inspector General's calling on the Collector on his arrival in the district for any official purposes, the Collector's *locus standi* in relation to the police is more or less technically maintained. Manifestly, the tendency to act independent of the Collector and to minimize his authority by pretensions of greater attachment to their superiors, is gradually but steadily growing with the police. It is interesting to observe that law and order is a question entirely between the Collector, the police and the Government, and the Board of Revenue which keeps supervision over the Collector on a wide variety of important matters, has no say in it.

It was argued during the days of the separation of the judiciary from the executive, between 1946 and 1953, that with this long overdue reform, if carried out, the law and order situation would worsen, raising rapidly the number of crimes. The fear was only bureaucratic, and although the Collector ceased to play the triple role of policeman, prosecutor and judge, he was made Additional District Magistrate with preventive and executive powers. His subordinate officers, the Revenue Divisional Officer and the Tahsildar were also made concurrently First Class Executive Magistrate and Second Class Executive Magistrate, respectively. The position and powers thus conferred on the Collector retained his capacity in dealing with the problem of district security in general and the police in particular.

The police standing orders vest unequivocally in the Collector the control and direction of the district police for the preservance of law and order. It is incumbent upon the Superintendent of Police to keep the Collector informed of the state of peace in the district, and the line of action which he proposes to take from time to time to preserve it. He transmits a report confidentially to the Collector on the crime situation in the district every fortnight and routes his tour-diary to his official superiors through the Collector. It is the duty of the Superintendent of Police to bring at once to the notice of the Collector, felonious

offences committed within the district and any apprehended breach of peace. In the annual confidential report on the Superintendent of Police, which the Collector is empowered to send directly to the Government, an assessment of his performance, especially of his dealings with the public, is recorded by the Collector. Judicial pronouncements containing strictures or adverse comments on the police are sent to the Collector to be suitably acted upon. The Collector is the chairman of the District Jail Committee and sub-jails are still under the supervision of Depty Tahsildars, his lower most line subordinates. With all these, in the new set-up, the Collector's relationship with the Superintendent of Police demands a great amount of tact and caution.

The Superintendent of Police is the line authority who control all the three district units of the police and the direction and coordination of all field operations are practically in his hands. The loyalty that he commands from his force and the allegiance which he owes to his departmental superiors are factors which the Collector cannot ignore in his dealings with the former. Both are executants of the same policy and directives which they receive through two different communication channels. Equations of power and personality do have a tacit say in their official relations.

Coordination of law and order cannot successfully be done if a single major element in the machinery functions erratically or in a way as to produce friction. A competent Collector will, therefore, use his locus with the calculations of a strategist, the self-possession of a philosopher, the dominance of a charismatic leader and the informality of an intimate friend so that there will be created in the police, the necessary psychological preparedness for the instinctive acceptance of his authority. The difficulties arising from the possible power equation between the Collector and the Superintendent of Police are easily overcome, if the former is capable of developing his informal authority to stabilize and to assert unassumingly his formal authority. Once this is achieved, coordination in the field of law and order will be a smooth, wholehearted cooperation under the overall direction and control of the Collector.

However, it does not seem to be prudent on the part of the Collector to depend entirely on the police for information pertaining to the possible social disturbances or threat to public tranquillity in his district. Caught in the meshes of laxity, indifference, underrating, light-heartedness, overconfidence, evasive tactics and even hidden defiance, the police might, at times, fail to appreciate the gravity of an eruptive situation and inform the Collector at the appropriate time. It is, therefore, all the more necessary that the Collector should organize an

intelligent system of his own, independent of the police, by careful developed social contacts and opening avenues of healthy public rel tions. This will be of immense assistance to the Collector for th efficient maintenance of law and order and more so for coordination.

Development

The largest single area with a host of functions and a huge sta consisting mainly of district level officers of various departments, whe the Collector has to take direct responsibility of coordination is development. Most of the functions in this sphere are technical i nature and most personnel are specialists either by training or by e perience. The major part of the coordinative work in development confined to the field. In order to accomplish the coordination of fiel operations, the Collector must gain personal knowledge of local cond tions and the functions of each field agency and an intimate or a informal acquaintance with the field supervisors and be prepared t acknowledge himself as a leader of the equals. He would then be abl to bring the various operating units in the required degrees of physica proximity, in an inspired atmosphere of team spirit and mutual unde standing imbibed with the resolve of realising the objective.

The Collector's leadership in relation to development, as alread pointed out, has two phases: the bureaucratic and the democrati His bureaucratic leadership has the full and firm support of the Boar of Revenue which controls important functions, like transport and foo production, highly relevant to development. Several standing orde of the Board of Revenue make it mandatory on the part of the distri level departmental officers to render assistance and technical advice t the Collector in his capacity as the head of the district administratio when called for.

The democratic phase of his leadership is emphasized by his ne responsibility with regard to democratic decentralization and develop ment. While each viable village has a Panchayat and each block, Panchayat Union, there is no self-governing institution at the distri level. Representation, however, is given to Panchayat Unions on th District Development Council presided over by the Collector who Inspector of Panchayats. The revenue personnel at the village lev collect for the Panchayat, the levies it imposes and make available the services in village level planning. Similarly, it is the block developme staff under the Collector who assist the Panchayat Union in chalki and carrying out development programmes. The Collector rende necessary advice and guidance to the Panchayat Union for its programm

implementation and arranges through various departmental agencies the requisite supplies towards this purpose. He intervenes in the differences and disputes that arise between Panchayat Unions with a view to settling these amicably. The budget of the Panchayat Union is scrutinized by him before it is sent to the Government for approval. Membership of legislators on the District Development Council is a great asset to the Collector's personal leadership and enables him to secure people's participation in the development activities.

As the head of several social service agencies, such as District Harijan Welfare Committee, District Red Cross Society, and District Prohibition Advisory Committee, the Collector gains further ground for consolidating his leadership and finds additional channels of social cooperation and social intelligence for development. Coordination of programme implementation at the village level and block level is achieved by a process of harmonious interactions and constructive responses between the four main agencies, namely, the Collector's revenue staff, the Panchayats, the Panchayat Unions and the team of block personnel within an integrating communication system and under the pragmatic vigilance and guidance of the Collector.

The constitution of the District Development Council has been so versatile that in practice it can be used for three purposes: (*i*) as a statutory body to advise the government on planning and development, (*ii*) as a substitute for district level representative institution, and (*iii*) as the principal machinery for coordination of the district administration.

The District Development Council consists of three broad categories of members, namely, representative officials, specialists and technical experts and administrative personnel. The first category consists of Members of Parliament, Members of the State Legislative Assembly, Chairman of Panchayat Unions, Chairman of Municipalities, and Presidents of Central Cooperative Banks belonging to the district, and in the second category will fall officers, such as District Agricultural Officers, District Education Officers, Executive Engineer (Public Works Department), Executive Engineer (Fuel and Power), District Engineers (Highways and Rural Works), District Engineer (Operation and maintenance), District Engineer (Electricity Board), District Health Officer, District Medical Officer, District Village Industries Officer, District Publicity Officer*, Assistant Director of Fisheries and Assistant Agricultural Engineer, Deputy Registrar of Cooperative Societies, Revenue

*This post has since been abolished by the DMK Government owing to its party affiliation.

Divisional Officers, District Employment Officer and the Person Assistant (Panchayat Development) to the Collector, are of the admin trative category. Although there is no rigidity about the number members, it is found varying ordinarily between 60 and 80.*

Being composite, the Council has to make conscious efforts reconcile the diverging attitudes and outlooks that are, within and obviate the possibilities of emotional conflict. The presence of a lar number of specialists poses the problem of acceptance of authority a catering for their ego-needs to obtain the best out of them. T membership of legislators is likely to increase the sensitivity of t Council and produce such phenomena as groupism, political pressur and questions of precedence. Similarly, the dead-weight of the burea cratic vices can frustrate the democratic elements and defeat the purpo of their inclusion. The plurality of lines controlling the district lev officers tend to increase the chances of choking the communicati channels or confusion resulting from cross-communication. Varyi departmental loyalties might likewise encourage individual officers receive instructions from and report directly to their headquarte overlooking the proprieties desired by the Council and the gener authority of the Collector. The multi-functional nature of developme and its extensive field work might give rise to unanticipated manageme problems, tension among personnel and disalignment of operation These probabilities can be averted only by an inspiring leadersh endowed with a vigorous intellect and resourceful mind both of whi are too rare an attainment in bureaucratic life.

As has been indicated, the social agreement behind the Collector role in development is so positive that legislators irrespective of par affiliations, have been fostering an encouraging attitude towards t District Developnent Council. As a matter of fact, it is the soci opinion articulated by the people's representatives that at times giv courage to the Collector to face difficulties and bring about acco between place and plan project.

In regard to technical matters, the Collector is normally guided b the concerned experts but at times he has to direct his efforts to reali reconciliation between them. It has been an established practice the Madras Government to accept the advice of the expert in technic

*The District Development Council is not a body parallel to the periodic coordi tion meeting in other States convened by the Collector and wherein obviously to chagrin attendence of departmental district officers is often arranged through proxy the status of a head clerk or a personal assistant. As a statutory body, membership the District Development Council is neither transferable nor presence therein can realised by deputising.

matters and, except in extra-ordinary circumstances, it has not upheld the objections of even the Board of Revenue against such advice. Although, as a rule, the services of the experts of several departments at the district level are placed at the disposal of the Collector, the differences between them and the Collector are referred to their immediate line superiors and if such differences are not resolved thereby, they are further referred to the government through the respective departmental heads for final rulings. The test of the Collector's ability in coordinating the views and opinions of technical personnel lies in not allowing the relevant matters to get out of his hands. Assured of an atmosphere of genuine democratic spirit and devoid of impersonal coarseness, the team of experts on the District Development Council may prove to be a real 'brains trust' or a socio-technical intelligence to the Collector.

The responsibilities of development have put additional strain on the Collector to relieve which two measures are adopted by the Government. Firstly, as early as 1956, the Government got enacted "The Madras Collectors' Delegation of Powers Act, 1956" which empowers the Government to delegate any statutory function of the Collector to his Personal Assistant. Secondly, the Collector is given the services of a new Personal Assistant (Panchayat Development) to whom the Collector can leave a good deal of paper work according to his discretion. Being a member of the District Development Council, he is also used for liaison work in the field of development. More delegation as it mitigated the functional burden of the Collector, has put more stress on coordination because the best results of delegation are always the reward of better coordination.

The Chief machinery of coordination the district Development Council, is as well as a deliberative body representing the various interests, institutions and departments in the district. It enables the Collector to get a more realistic picture of local conditions indispensable for field coordination and to know more fully the feelings and opinions of the people. The district technical officers freely exchange their ideas and views on issues and jointly endeavour to clear the ground for action and explore avenues of coorperation. They discuss their departmental instructions relevant to their functions with a view to adjust with one another in their implementation. Differences are ironed out by mutual agreement reached under the guidance of the Collector and the difficulties envisaged are obviated by finding out appropriate solutions. Place and nature of functions, types and methods of operation, timings and durations of operations are thought out in adequate detail and the role of each agency is precisely determined so that the Collector is fully equipped for functional and territorial coordination. Along with

development matters, other departmental questions relevant to the administration of the district are also discussed and their relations reviewed from the perspective of coordination. Decisions of the council are taken almost unanimously or with the maximum agreement and the share of their execution is sepocifically fixed.

The Collector makes available the services of his administrative machinery for removing impediments and correlating activities, whenever necessary, and the presence of the Revenue Divisional Officers in the Council is of added significance as they are a convenient channel of field communication and a principal agency in field coordination. Disagreements persisting between technical experts are resolved in private by the Collector. The progress of implementation of programme is reviewed by the Council in the light of the views expressed by individual members and the line of action is finalized towards speedy completion of the unexecuted part. As the chairman of the District Development Council, the Collector is entitled to all Departmental communications pertaining to planning and development and may have more or less the same range of tools, as are available at the State headquarters, for coordination.

Over and above the meetings of the District Development Council, the Collector may convene special meetings of the district technical heads for discussing particular matters or for reaching an agreement on points of difference or finding out a common solution helpful to coordination.

On the whole, the problem of coordination at the district level in Madras is a growing and complex one but it can hardly defy solution provided the organization is modernized to suit the task in view and energized by a vigorous communication system, and the tools and men are employed on the basis of 'the right tool for the right man' and 'the right man for the right job' by the leadership. As an organization expands, functions multiply and delegation becomes heavy, the problem of coordination will tend to be greater and greater in magnitude demanding expert attention. The questions naturally raised in Madras in this context are: Cannot the institution of Collector be dispensed with as it has outlived its utility? Cannot the line departments themselves undertake the work of coordination? and, Cannot development be left to a team of experts to be guided, motivated and controlled by a democratically elected leadership? The questions are indeed pertinent enough and the answers will be found in the social will and political preparedness but even then to leave the police, an instrument to be used, to be its own user will be disastrous to democracy.

POST-FULTON DEVELOPMENTS IN TRAINING OF ADMINISTRATORS IN U.K.

M. Wadhwani

THE vital role of training in development of civil servants has been recognized in the United Kingdom since almost the time of the Assheton Report in 1944. The Assheton Report outlined objectives of training which are relevant even today.[1] It has been recognized in the United Kingdom that the new and changing requirements of administration necessitate a well-planned and systematic approach to the problems of training. It has been recognized that there is a need to impart new knowledge and new skills and to inculcate new attitudes in the civil servants in keeping with the new dimensions that are continuously being added to their traditional tasks.[2]

Fulton Committee

A twelve-member Committee under the Chairmanship of Lord Fulton was set up on February 8, 1966. to "examine the structure, recruitment, and management including training of the Home Civil Service, and to make recommendations", in the context of "changes which had taken place in the demands placed upon the Civil Service and of the changes in the country's educational system. After deliberations for more than two years, the Committee submitted its report on June 26, 1968.[3]

Some important findings/recommendations of the Committee are outlined below.

Six main inadequacies in the existing Civil Service (as diagnosed by the Committee) are:

(1) The service is still essentially based on the philosophy of the amateur (or 'generalist' or 'all-rounder')—a product of the nineteenth-century philosophy of the Northcote-Trevelyan Report.

---

[1] *Training of Civil Servants: Report of the Committee* (Chairman . Lord Assheton), London, HMSO, 1944.

[2] E. N. Gladden, *Civil Services of the United Kingdom, 1855-1970*, London, Cass, 1967.

[3] *The Civil Service—Report of the Royal Committee 1966-68* (Chairman : Lord Fulton), London, HMSO, 1968.

(2) The present system of classes in the Service—horizontall (between higher and lower in the same broad area of worl and vertically (between different skills, professions or disc plines)—seriously impedes its work.

(3) Scientists, engineers and members of other specialist class get neither the full responsibilities and corresponding authori nor the opportunities they ought to have.

(4) Too few civil servants are skilled managers.

(5) There is not enough contact between the service and the re of the community.

(6) Career planning, rational placement and development policie motivation and incentives system, etc., are inadequate an unsatisfactory.

The Report of the Committee on the Civil Services (Fulton Repor contained important recommendations on training. One of the sign ficant recommendations of the Committee was the creation of a civ Service Department incorporating the Civil Service Commission an responsible for various aspects of personnel management, includir training. The Fulton Committee also recommended creation of a Civ Service College which would provide training courses in Administratic and Management.

Civil Service Department

The Civil Service Department came into formal existence c November 1, 1968, in pursuance of the Fulton Committee Repor The Department is directly under the control of the Prime Minister bu the responsibility for day-to-day work has been delegated to a seni Minister. The Permanent Secretary of the Civil Service Departme is the official head of the Home Civil Service.

It is interesting to find that the Civil Service Department has be staffed by both permanent members, which include specialist civ servants, as well as others who function in the Department for a short period and are given specific assignments. The internal organization c the Department comprises of a group of Divisions providing personn services, corporate planning, statistics and information.

The Fulton Committee had recommended that the appropria task of central management was to ensure that the service was cont nuously governed by the philosophy of "looking at the job first". Tl

Civil Service Department acts in partnership with the other Departments in planning new measures in accordance with the needs and its function is really to guide rather than to control the other Departments.[4]

Management Personnel (Training Division)

The Training and Education Division has been renamed Management Personnel (Training) Division in order to reflect more accurately the new role of the Division. The Division is concerned with the analysis and determination of training needs in the Civil Service in the light of decisions in the fields of training, recruitment, career planning and organization. It has also to determine which training needs are best met centrally and which should be met by departmental programmes or external courses. The Division operates in close consultation with the other Departments, the Civil Service College and the National Staff side.

The Management Personnel (Training) Division generally offers guidance and advice on all training matters and coordinates training efforts in the Departments through the Training Liaison Officers. In the field of external training, the Division is concerned with the coordination of arrangements for civil servants to take sabbatical and study leave, places at business schools, Universities and Colleges under the Civil Service Department's University Bursary Scheme. The Division is also concerned with policy regarding further education in consultation with the Civil Service Council for Further Education.[5]

Civil Service Commission

The Civil Service Commission which was earlier an independent body, is now a part of the Civil Service Department. The Commission is responsible for the selection of candidates for the permanent posts in the Home Civil Service and the Diplomatic Service.[6] There are 5 Civil Service Commissioners, and the First Commissioner functions as the head of the Commission. The five Divisions of the Commission are: (*i*) Administrative Division, (*ii*) Executive and Clerical Division, (*iii*) General Competitions Division, (*iv*) Science Division, and (*v*) Technological Division. There is also a Research Division which is mainly concerned with investigation of problems coming up in the field of recruitment. This Division also does some research for personnel

[4] *Developments on Fulton*, London, Civil Service National Whitley Council, 1969.

[5] Civil Service Department Report for 1969, First Report of the CSD—HMSO, 1970.

[6] *See also* Method II System of Selection (for the Administrative Class of the Home Civil Service)—Report of the Committee of Inquiry 1969, Cmnd 4156—HMSO, 1969.

management divisions of the Civil Service Department. By integrating the Civil Service Commission into the newly created Department, the recommendation of the Fulton Committee (Recommendation 117) that there should be closer and more coherent relationship between recruitment, training and all other aspects of civil service management, was implemented.

Civil Service College

The Fulton Committee had made important recommendations about the creation of a Civil Service College and its functions. The Committee had also studied in depth the type of training which should be broadly provided to various categories of civil servants.

The Civil Service College was established in June 1970 and has its headquarters at Sunningdale Park in Berkshire. It has two Regional Centres in London and Edinburgh. Programmes at the College are designed for a wide range of civil servants with different backgrounds, academic qualifications and of different levels in the Government. The staff of the College consists of three main groups:

(1) Civil servants who join the College for a limited number of years and then return to their Departments,

(2) Academics, mainly University teachers, and specialists in management subjects, some of them being employed on a part-time basis, and

(3) A wide, variety of people with different backgrounds from industry, trade unions, etc., who act as resource persons.

The training programmes cater to the following categories: (*a*) Executive officers, (*b*) Graduate administrative trainees, (*c*) Middle management, (*d*) Senior managers, (*e*) Departmental instructors, and (*f*) Other specialists and management service.

Young Executive Officers

A 4-week Introduction to Management Course is conducted at the Civil Service College, Edinburgh. This has been developed for executive officers who normally join the Civil Service after leaving school. The programme covers the use of quantitative techniques in tackling problems of office management.

Graduate Administrative Trainee and Higher Executive Officer (Administrative) Grades

The Fulton Commitee had recommended that up to one year's training should be imparted at the Civil Service College to administrative trainees early in their career. A three-state programme of 44 weeks' duration has been developed and it is expected that all the three programmes would be undergone during the first five years of service. A 4-week introductory course in quantitative analysis and structure of government is usually given in the first year of service. This is followed by a 12-week course in government and organization. This includes training in organization and staff management and in the machinery of Government. This is usually given in the third year of service. In the fifth year of service or about two years after the 12-week course, the trainees are put through a 28-week course in economics and social administration studies. This comprises of 22 weeks of studies followed by one of a range of 6-week extension courses in more specialized areas.

Middle Management

A Middle Management Course for eight weeks is conducted in order to help the participants to develop a better understanding of the environment in which management has to operate and to increase their awareness of management principles, skills and techniques and their application.

In addition, a series of inter-related management courses has been provided for administrative and executive grades at the Principal level and equivalent grades in the other classes. This includes courses in economics, social administration, statistics, use of operational research in decision-making and organization and staff management.

During 1971-72, in addition to the Introduction to Government Administration course and the instructor coure in job appraisal reviewing, the following Management Courses were organized for officers at the Principal level:

Sl. No.	*Title of the Course*	*Duration*
(1)	Statistics Computers and Information Systems	3 weeks
(2)	Micro-Economics and Planning	3 weeks
(3)	Micro-Economics and Resource Allocation	3 weeks
(4)	Management, Operational Research and Models	3 weeks

Sl. No.	Title of the Course	Duration
(5)	Organization and Staff Management	3 weeks
(6)	Social Administration	4 weeks
(7)	Industrial Growth	3 weeks
(8)	International Economics	3 weeks
(9)	Personnel Management	3 weeks
(10)	European Institutions	4 weeks

Senior Management Training

The Civil Service College organizes two types of courses for civil servants at the Assistant Secretaries' level.

The Senior Management Course is of 4-weeks' duration. The course is integrated to illustrate through use of exercises and case studies, mainly, the complexity of real-life problems in Government and how a systematic approach can help senior managers in improving decision-making. The uses and limitations of management techniques are also outlined. The special areas covered in the programme include: (*a*) Personnel Management, (*b*) Information for Management, (*c*) Financial Management, and (*d*) Machinery of Government. A considerable amount of group working is included and the course members are given opportunities to examine the processes by which groups tackle a variety of problems. Course members are encouraged to take advantage of the wide variety of skills and experiences of their colleagues from other disciplines and departments. A feature of the Course is a series of short talks presented by course members describing their organization and work and the nature of management problems that confront them.

A series of short residential seminars have also been organized on the following subjects:

(1) Management by objectives,

(2) Human aspects of management,

(3) Long range planning,

(4) Communications in large organizations,

(5) Management informations systems,

(6) Senior management and computers,

(7) Techniques of economic appraisal,

(8) Senior management and operational research,

(9) Planning and control systems in large organizations,

(10) Management of research and development,
(11) Technological forecasting,
(12) Project management,
(13) Capital investment evaluation,
(14) Appreciation of monetary policy,
(15) Personnel management in the civil service,
(16) Appraisal of research and development,
(17) Communications between Government and public,
(18) Public administration in Europe,
(19) Problems of environmental management,
(20) Accountable management,
(21) Relations between industry and Government,
(22) Problems of social deprivation,
(23) Nationalized industries, and
(24) Manpower Planning.

The main rationale for training of senior officers is that the return on the large investment in training at lower and middle levels would be small unless senior managers in the Civil Service are made aware of and sympathetic to the latest management concepts and techniques. By participating in these programmes, senior officers also get an opportunity to become acquainted with new management concepts and techniques and to discuss these with their peers in the training environment. The aims of the Senior Management Courses are to provide an opportunity to:

(1) improve individual performance and the individual's contribution to create and organize activity;
(2) stimulate an interest in the use of concepts and techniques of management in the civil service, and
(3) increase awareness and understanding of changes in the environment, specially in industry, the sciences and Government.

The Senior Management seminars usually last for 4 or 5 days. Each seminar has a chairman drawn from the civil service, industry or university having experience in the subject and possessing the capacity to give proper direction to the seminar members.

The Civil Service College is already organizing courses of three weeks' duration for officers at Principal level in the Diplomatic Service and for those in the Home Department concerned with Overseas Policy. In addition to these courses, the College is considering additional courses for officers at the levels of Assistant Secretaries and Principals, and the possibility of organizing these courses at the University of Edinburgh is being discussed with the university.

Training in Departments

The bulk of civil service training continues to take place in the departments. It has been estimated that at least 94 per cent of the total internal civil service training offered is departmental. Departmental training includes courses for new recruits, a wide variety of technical and specialist courses and training in management and supervisory techniques. The range of departmental training is wide. The major effort is devoted to vocational and specialized training.

The Civil Service Department maintains a team of 5 Training Liaison Officers who keep in touch with Departmental Training Officers and give them the necessary advice and guidance. Particular attention is paid to the training needs of the smaller departments.

External Training

In addition to its own training institutions, the Civil Service makes good use of outside training facilities. Civil Servants have been attending courses at the Administrative Staff College, Henley, and at Business Schools and similar establishments. A substantial number of officers have attended programmes in Business Schools in London, Manchester, Oxford, Birmingham, Cranfield, etc. Training in systems analysis is also provided by the City University Graduate Business Centre, London.

Perhaps one of the best known institutions for external training is the Administrative Staff College at Henley-on-Thames. The College meets the educational needs of those who have already had substantial experience in their occupations and are likely to carry higher responsibilities in future. The courses run by the College fall into 4 groups— the General Management Main Course, General Management Appreciation Course, Directing International Operations — a substantial series of short courses, most of them of a week's duration, covering closely defined fields of work.

Other Facilities

For further education, civil servants, other than specialists, who wish to improve their education can, in approved circumstances, receive financial assistance from their Departments although usually they are expected to pursue their studies mainly in their own time. Additional arrangements are also made by the Civil Service Council for Further Education for the release of civil servants under the age of 18 to continue their education either by joining day classes for one day in a week or evening classes with compensatory time off.

To enable civil servants holding posts of responsibility to broaden their experience or otherwise derive benefit from changed environment, sabbatical leave can be granted on the initiative of the individual officer. Sabbatical leave is normally on full pay and ranges from three months to one year in duration. It may take the form of a specific fellowship or study at a British university or of a period of study at a university or college, not within the framework of a specific fellowship

In conclusion, it can be said that the British Civil Service has adopted a forward-looking policy in the training of its members. The recommendations of the Fulton Committee have had a momentous effect in giving a new direction and emphasis to this activity. The opening of the Civil Service College in 1970 constitutes a landmark, in the history of the Service. Improvements in training and the designing and mounting of really meaningful programmes have been regarded as an essential element in the remodelling of the Service and ensuring that it is in tune with the changing times.

[In this feature, we give comments received from the readers on the ticles published normally in the previous two issues of the Journal. The mments should be critical and thought-provoking and confine to the major ints made by the author(s), inadequacies in reasoning or of data or any w solution to the problem which suggests itself to the reader. These should t normally exceed 1,500 words.—Ed.]

UNION-STATE FINANCIAL RELATIONS*

A Rejoinder

In the April-June 1971 issue of the Journal, Shri G. Thimmaiah has ide certain comments on my article on 'Union-State Financial Relations' blished in the April-June 1970 issue of the Journal. My first observation, ich Shri Thimmaiah has referred to, is the following:

The terms of reference (of the Finance Commission) are unilaterally rafted by the Union Finance Ministry and it is common knowledge that here is no institutional arrangement by which the President makes an ndependent appraisal of the suggested terms of reference. An arrangement by which the States are consulted beforehand would be a step in the ght direction but so far this has not been attempted."†

am grateful to Shri Thimmaiah for having conceded that this suggesn is theoretically sound. But he feels that it ignores the reality of the uation obtaining in the country and opines that if the States are asked to ch an agreement over the terms of reference, it will be necessary for the ance Commission to enquire into innumerable problems of federal ance. He also feels that if an attempt is made to provide an opportunity, h a process will involve time and expenditure on the part of the Union vernment. He adds that the process of consulting States and persuad- them to reach a consensus on the terms of reference will involve essive delay. His view is, therefore, that the Union Government should lf identify the common problems and ask the Finance Commission to ommend suggestions to solve them, as it has been doing so far.

All that I have suggested is that the States should be consulted and the rs of the States should be placed before the President when he finalises suggested terms of reference. A time limit can always be set for the tes to give their views and thereby delay can be avoided. An agreet is not contemplated, nor even a consensus. What I have suggested

*The original article by Shri J. [illegible] was published in the Journal in Vol. XVI, I (April-June), 1970. This is a rejoinder by the author.

†Ibid., p. 207.

is an institutional arrangement by which the President is apprised of the views of the States. It is, therefore, obvious that Shri Thimmaiah's fears are unwarranted. His suggestion that the Union Government itself can identify the common problems is unsound because the Union Government, being one of the parties to the award, would naturally take a somewhat prejudiced view on the valid claims of the States. It is because the Finance Commission's terms of reference have so far been drafted by the Union Government (to the disadvantage of the States) that some injustice has been done to the States. It is in this context that I have ventured to suggest that the States should be consulted while drafting the terms of reference. In my article, I had given the illustration that the Union Government made it obligatory for the Fifth Finance Commission to reckon yields of taxation at levels reached by a State in the year 1968-69 while computing the deficit. Had only an opportunity been given to the State Governments to express their views on the terms of reference, the grave injustice done to the States which had mobilised resources for the original Fourth Plan could have been avoided. My next observation, in the article to which Shri Thimmaiah has referred, is the following:

> "The hard choice before a Finance Commission is really between adoption of sound principles for the allocation of resources between the States and the Centre which do not lend themselves to equitable and uniform application when quantification is attempted and the adoption of distinctly less scientific and acceptable principles which nevertheless have the advantage of being amenable to precise and unquestioned transformation into reliable figures." (p. 208)

Shri Thimmaiah claims that he has rebutted this inference by showing in his book how sound principles can easily be quantified. I have not had the fortune of coming across this book but I have first hand experience of unsuccessful attempts made to quantify sound principles and my observations are based on such experience. A simple example will illustrate. Per capita levels of expenditure on education may be a sound basis for reckoning what is reasonable to expect from a State to spend on education. But while computing this, it is almost impossible to get reliable figures, because expenditure is incurred not only by the Governments directly but also by local bodies and innumerable private institutions. Practical difficulties arise while culling out figures. Reliable statistical data so necessary for accurate quantification of sound principles is just not available in our country. The very fact that the Finance Commissions, whose recommendations have got to be practical, have so far not attempted this, shows that Shri Thimmaiah's suggestions are suitable only for text books.

My third observation, to which Shri Thimmaiah has taken exception, is the following:

> "... Finance Commissions are compelled to take into account all additional taxation measures during the quinquennium preceding the period covered by the report. This may not have large impact on the States which are surplus but on the States which are eligible for deficit grants, this has an adverse impact. There is no incentive at all for such a State to tax because if it refrains from imposing taxes, it could pass on its burdens in due course to the national tax payers, rather than impose levies on its own tax-payer. A possible solution for this problem is to

> permit States to retain, for financing their plans, receipts from additional taxation measures enforced by them for at least a period of 10 years. Unless this is done, one cannot blame the States for their reluctance to levy Taxes." (pp. 209-210)

In rebutting this statement, Shri Thimmaiah claims that a State which is reluctant to raise tax will have to accept a small State Plan and, therefore, it will lose proportionately, to that extent, Central assistance for its plan. I would like to make it clear, at this point, that there is at present no relationship between the quantum of Central assistance and the size of the State plan. Central assistance is distributed according to certain norms and the size of a State plan does not figure as one of these norms. Shri Thimmaiah also objects to the use of a part of the proceeds of additional taxation for the Plan and claims that it would create administrative complications in view of the fact that plan grants are commended by the Planning Commission and revenue grants are recommended by the Finance Commission. Here again, Shri Thimmaiah is apparently labouring under the illusion that the plan revenue component is fully met by plan grants from the Planning Commission and has ignored the fact that the balance from current revenue is a source of financing State plans. He further feels that my suggestion assumes that the Finance Commission must measure the potential tax effort of each State, compare it with the actual tax effort and estimate the gap between the two. He claims that this is impracticable. I agree with him that it is so, but it was never my suggestion that this should be done. All that I suggested was that the additional taxation actually imposed by a State, which can be computed easily, may be left out of account while calculating the non-plan deficit of the State, so that, for a deficit State it could be used to finance plan expenditure, enable a bigger plan to take shape and thereby reward a State which has mobilised resources. His comments, therefore, are based on an incorrect understanding of not only what I have said but also the procedures obtaining in our country.

The next observation of mine, to which Shri Thimmaiah has referred, is the following:

> "It will, therefore, be pointless in the present circumstances for a Finance Commission to take upon itself the task of eliminating regional disparities. It should instead concentrate on the absolute needs of the States with reference to the levels already reached and leave it to the mechanism of the Plans to eliminate regional disparities." (pp. 211-12)

Shri Thimmaiah alleges that this observation lacks a clear understanding of the problem of growth and the problem of regional inequalities and the relative roles of the Planning Commission and the Finance Commission. He derives support from certain observations made in his book. He apparently relies on his views that the Finance Commission should try to enable the weaker States to save financial resources on the revenue account and divert them for [illegible] purposes, and the Planning Commission should try efficiently to allocate scarce resources in the country with a view to maximising output. The fact that this view is totally contrary to my view does not make it the correct view. I believe that regional disparities can be eliminated effectively only through the mechanism of the plans, but

I concede that various different views are possible on this rather controversial subject.

The more observations of mine, to which Shri Thimmaiah has referred, are the following:

> "... that Article 263 of the Constitution visualizes the setting up of an Inter-State Council and it should be possible, if necessary through a minor amendment to the Constitutional provisions, to set up a national body for planning of which the Planning Commission can be an executive organ. Such a set-up would ensure that the States participate in crucial decisions regarding the resources available for the Plan, the *size* of the Plan and the sectoral allocations" (p. 215) and "..., once a constitutional status is accorded to the Planning Commission and the Government of India's hold over the Commission weakened, a measure of acceptability will immediately be accorded to any recommendation by the Planning Commission." (p. 216)

One of the points raised by Shri Thimmaiah is that this suggestion is not new. I never claimed that the suggestion was original. In fact, there is little scope for originality in the much exploited field of Centre-State financial relations. His second point is that this is a stereotyped textbook suggestion and blind to the experience of other countries. He has quoted certain authorities for this conclusion. They represent a point of view which differs from mine. It is always possible to quote authorities in favour of or against a particular view point. The main argument against the suggestion which I have mentioned in my article is that the implementation of the suggestion would weaken the Planning Commission's grip over the States. No harm will result if this happens; in fact much good will result if planning assumes a federal character and the States have a greater say in the formulation and implementation of plans.

Shri Thimmaiah has also commented on the reference in my article to an autonomous organization which would regulate flow of credit to the States. He claims that it is an old suggestion. In my article I have said "a suggestion has already been made" implying thereby that the suggestion is not new. Shri Thimmaiah is, therefore, incorrect in presuming that I claim that the suggestion is original. He once again urges acceptance of what he has stated in his book. The conclusion in his book is apparently that the setting up of such an organization would halt the economic progress of the States, render Central control over State Policies ineffective, and weaken the Planning Commission, and also create coordination problems. The correctness of these conclusions will depend upon the arguments he has adduced to build up his case which, unfortunately, I have not had an opportunity of studying. But I must concede that these criticisms do have force, but the advantages accruing from the setting up of such an agency would, in my view, outweigh these disadvantages. But Shri Thimmaiah's objection to the setting up of an autonomous organization, because it would mean additional expenditure to the Union Government, is, at best, amusing. Any one with a sense of proportion would realise that the expenditure involved would be trivial in absolute terms compared to the funds handled and the benefits accruing.

—J. [illegible]

INSTITUTE NEWS

Smt. Indira Gandhi, Prime Minister of India, was unanimously re-elected the President of the Institute by the Seventeenth Annual General Body Meeting held on October 22. She also presided over the Meeting.

Smt. Gandhi released the revised edition of *The Organization of the Government of India* and also the Special Number of the IJPA for 1971, and distributed prizes to the recipients of IIPA's 1971 Prize Essay Competition.

Shri Asoka Mehta, Chairman of the Executive Council of IIPA was unanimously re-elected Chairman of the Council for 1971-72. The Ninetyfifth Meeting of the Council was held on October 22. Five members coopted are: *Shri Asoka Mehta, Dr. S. M. Hasan, Shri B. C. Mathur, Shri B. Venkatappiah and Shri P. L. Tandon.*

Membership of the new Standing Committee for 1971-72 constituted by the Council is: *Shri Asoka Mehta* (Chairman), *Shri M. K. Chaturvedi, Prof. Shanti Kothari, Shri B. C. Mathur, Prof. M. V. Mathur, Shri D. L. Mazumdar, Shri H. M. Patel, Shri C. A. Ramakrishnan, Shri V. Subramanian, Shri M. V. S. Prasada Rao, Dr. Ram K. Vepa, and Prof. G. Mukharji* (Member-Secretary).

• • •

As advised by the Committee of Judges, the first prize (of Rs. 1,000) for IIPA's Essay Competition for 1971 was not awarded. Three essays were, however, chosen to receive second prizes of Rs. 500 each. These are (1) "The Challenge of our Cities" by *Shri Jagmohan*, Vice-Chairman, Delhi Development Authority; (2) "Problems Relating to the Administration of Justice" by *Shri O. P. Motiwal*, Research Officer, Judicial Department Government of Uttar Pradesh; and (3) "Public Personnel Administration: A Study of its Origin and Growth in Mysore State up to 1967" by *Dr. K. V. Viswanathaiah*, Reader in Political Science, Karnatak University.

• • •

IIPA Members Fifteenth Annual Conference was held on October 23. The subject was: "Administrative Organisation for Socialist Programmes in a Parliamentary Democracy". The Conference had two sessions. The morning session was presided over by *Shri Asoka Mehta*, Chairman of the IIPA Executive Council. In the afternoon, *Prof. M. V. Mathur*, Director, Asian Institute of Educational Planning & Administration, New Delhi, took the chair.

The following persons read papers on the theme of the Conference—Administrative Organisation for socialist Programmes in a Parliamentary Democracy: (1) *Dr. S. K. Goyal*, Reader in Industrial Administration, IIPA, New Delhi; (2) *Shri J. K. P. Sinha*, Assistant Director, Institute of Public Administration, Patna University; (3) *Prof. R. Pathak*, Department of

Political Science and Public Administration, Kasturba Rural Institute of Higher Education, Rajpura (Punjab); (4) *Shri Y. A. Fazalbhoy*, General Manager, General Radio & Appliances Pvt. Ltd., Bombay; (5) *Shri V. S. Murti*, Head of the Department of Public Administration, Nagpur University; (6) *Shri Krishan Kumar Vij*, New Delhi; (7) *Dr. Vishwanath Prasad Verma*, Director, Institute of Public Administration, Patna University, (8) *Shri M. V. S. Prasada Rau*, Member, Executive Council, IIPA, New Delhi; and (9) *Shri V. Subramanian*, Secretary to the Government of Maharashtra, Revenue & Forests Department, Bombay. *Shri S. P. Sinha*, Assistant Director (Economics & History), Bihar Tribal Welfare Research Institute, Ranchi read a paper on "Administrative Organization for Socialist Programmes in a Parliamentary Democracy in Tribal Areas of Bihar. Sarvashri P. Krishna Murthy and Arvind Kuratkar read a paper on "Socialist Programmes *vis-a-vis* Civil Service Commitment and Attitudes".

A welcome feature to the Annual Conference was the grant of special casual leave by the Government of India to its employees (who are members of the IIPA) to enable them to attend the Conference.

* * *

The Institute conducted the following courses, during the quarter (Oct.-Dec.), for senior and middle level officers of the Union and State Governments, Union Territory Administrations, Municipal Committees and Corporations, public sector undertakings, etc.:

(1) Eleventh Course on Performance Budgeting, Oct. 4—15 (at New Delhi); [The course included four workshop sessions—two each on 'Operating Department' and 'Capital Projects'.]

(2) Special Course on Financial Management, Oct. 22—Nov. 2 (at Madras); The course was organised exclusively for 27 senior level officers of the Government of Tamil Nadu.]

(3) Second Course on Work Study in Municipal Administration, Oct. 25—Nov. 19 (at New Delhi);

[A nominee of the Government of Mauritius also attended the Course under the Special Commonwealth African Assistance Plan.]

(4) Third Course in Social Policy and Administration, Nov. 8—20 (at New Delhi).

(5) Fourth Course on Modern Aids to management, Nov. 22—Dec. 4 (at New Delhi);

(6) Second Course on Municipal Budgeting, Nov. 29—Dec. 11 (at New Delhi); and

(7) Course for Officers of Pilot Research Project in Growth Centres, Dec. 22—Feb. 11, 1972 (continuing).

[Being attended by 14 project Directors, Research Officers and Field Assistants, the course trainee on environment of planning and methodology of research and survey techniques relevant to area planning.]

IIPA's Centre for Municipal Training & Research organised a two-day Seminar on December 20—21 on "Problems in Municipal Laws". Its 22 participants included elected councillors, university teachers, and experts from the Union Ministry of Health & Family Planning, Problems

analysed by the Seminar were: State Control of Municipal Bodies; Delegation of Powers; Suits against Municipalities and other Judicial Remedies; and, Status of Municipal Employees.

The Seminar, inaugurated by the Mayor of Delhi, was also attended by the Mayor of Bombay, who presided over two of its sessions.

As a part of its UNICEF project work on "Integrated Services for Children and Youth in Urban Areas", IIPA's Municipal Centre for Training & Research organized a consultancy meeting of medical men and administrators on December 3-4. The purpose of the meeting was to help evolve a model for a family and child health centre while providing integrated services for children and youth in Urban areas.

• • •

Shri Deva Raj has taken over as Director-cum-Professor of the IIPA's Centre for Training and Research in Municipal Administration w.e.f. November 24. Shri Deva Raj has been associated with the Centre as a Research Consultant for the past 3 years and is currently in charge of a UNICEF research project on Integrated Services for Childern and Youth in Urban Areas".

The following joined the Institute during the quarter:

(1) *Shri M. Thyagarajan* as Programme Consultant (Project Planning and Control) in Financial Management Unit (w.e.f. December 8); and

(2) *Dr. Ramesh Tiwari* as Research Associate in Personnel Administration Unit (w.e.f. December 1).

• • •

The Institute brought out the following title under its "Occasional Lecture" series *Federal Finance in a Developing Economy* by Lady Ursula Hicks. It is priced at Rs. 3.

• • •

With the financial support of Union Government and State Governments of Punjab and Haryana, for 1971-72 an experimental programme of seminars and short-term refresher courses on the campus of Panjab University, has been formulated. The Institute's cooperating agency in the programme is its *Regional Branch* at *Chandigarh*.

The scheme stems from recommendations contained in Administrative Reforms Commission reports (*i.e.*, "Machinery of the Government of India and its Procedures of Work", and "Personnel Administration") which stressed, *inter alia*, the need for Government to get the universities—specially those with units in public administration—interested and involved in training and research with regard to government personnel.

To begin with, three courses, including the following, have been planned: (*i*) "Administrative Management Course"; (*ii*) "Course on Government Budgeting with special reference to Performance Budgeting", designed for Under Secretaries, Deputy Directors and others of equivalent ranks; and (*iii*) "Office Management Course" meant for Assistant Secretaries, Office Superintendents and the like.

Officers of the Central Government posted in Chandigarh and those of the State Governments of Punjab and Haryana, university teachers and university administrative officers are expected to participate in the Courses. The Faculty will consist of speakers mainly drawn from Government, Punjab University, IIPA and

other academic bodies. *Prof. B. S. Khanna*, Head of the Public Administration Department, Panjab University, will act as Director of the Programme of refresher courses.

• • •

To explore the possibilities of IIPA'S collaboration with the business-cum-management world with a view to building a bridge between private and public administration, the *Maharashtra Regional Branch* organised a meeting on October 1, which was attended by members of the Branch's Executive Committee and some prominent executives in the fields of industry, business and management, including *Shri Naval J Tata*, the well-known industrialist. *Shri B B Paymaster* ICS (retd.), Chairman of the Branch, presided. *Shri P L Tandon*, Chairman of the State Trading Corporation of India, initiated the discussions.

A gist of the ideas generated in the meeting is given below:

(1) Since modern public administration is very largely economic administration and involves the management of commercial and industrial enterprises, a fruitful dialogue between the public and the private sectors can be established.

(2) Such mutual discourses should be more frequent and action oriented than the exchanges that take place at present during occasional seminars, conferences, etc.

(3) Through such get-togethers, the public administrators can understand the techniques of modern industrial management, and those in private sector can familiarize themselves with the constraints on public administrators.

(4) For promoting purposeful parleys between the two sectors, the IIPA may: *(a)* undertake detailed studies of specific common problems, namely, decision-making, financial management, labour and personnel management, organisational structures, etc.; *(b)* identify the areas in which training is necessary for officers at various levels in Government and the Private sectors; *(c)* sponsor specific programmes of training, seminars, etc. in cooperation with private industry and management institutes, and *(d)* enrol more units from the private sector so as to secure their active participation.

As an initial step towards these goals, it was agreed that a small group consisting of representatives from the public and the private sectors and some members of the Branch, be constituted to work out on the basis of these broad ideas more detailed and specific schemes.

• • •

Ujjain Local Branch of the Institute came into formal existence on November 4, 1971, when *Dr A. L. Basham*, President of the International Congress of Orientalists and Head of the Department of Ancient Civilizations, Australian National University at Canberra inaugurated the Branch. Dr Basham also gave a talk on "Public Administration in India and China". A timetable of future activities of the Branch includes a research project on "Administration of 'Melas' in Ujjain District".

Indore Local Branch on October 3, organised a talk by *Shri V. Viswanathan*, Governor of Kerala

on "Powers of Governors". *Shri R. N. Mulhan*, General Manager, Machine Tool Corporation of India, presided.

• • •

Prof. B. S. Khanna of the Panjab University, and Vice Chairman of the *Punjab, Haryana and Chandigarh Regional Branch*, participated in a workshop held in Bangkok from November 19-23, 1971, at the invitation of EROPA. The theme of the workshop was "Curriculum for Development Administrators: A Review of Public Administration Graduate Programmes in Asia". Prof. Khanna also contributed a paper.

• • •

The new Chairman and Honorary Secretary of the *Mysore Regional Branch* are: *Shri R. J. Rebello* (Chief Secretary to the Government of Mysore), and *Shri G. Aswathanarayan* (Deputy Secretary, Planning Department) respectively. They were elected by the Annual General Meeting of the Branch, held on November 17, 1971.

RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

Union Ministry of Health and Family Planning has constituted a 7-member Family Planning Board to ensure speedier implementation of Family Planning Programme. The Board is headed by Joint Secretary in charge of Family Planning.

The Board will also periodically review the progress of the Family Planning programme and to take decisions on all matters relating to the Family Planning programme including authorisation of financial sanctions within the budget which were voted by the Parliament.

It will consider Plan allocation and Annual Plan outlays, ensure the achievement of the targets and proper utilisation of financial outlays and consider the pattern of assistance to the States, Ministries and departments concerned with the Programme.

The Union Finance Minister, in a letter to Chief Ministers of States has emphasised the need to streamline the working of treasuries in order to improve budgetary control.

He has urged the States to accept and implement those recommendations of the Administrative Reforms Commission which have been accepted by the Union Government. These are: manning of supervisory posts in treasuries by separate finance and accounts services; fixing of standards of staffing and norms of working and systematic training of staff; and setting up of a Directorate of Treasuries in each State to supervise their work.

The Estimates Committee (1971-72, Fifth Lok Sabha) considers that the Union Government should not shoulder the responsibility for maintaining the border roads developed out of Central funds indefinitely but should allow it to be developed in due course by the State Governments concerned through devising a programme of gradual transfer after the completion of the present commitment in 1974.

The Seventh Report of the Committee containing the above mentioned views was presented to Lok Sabha on November [illegible]. To begin with, the report says, the State Governments concerned may be entrusted with the maintenance of such of the border roads as may not be so vital for national defence and have economic and developmental use for the States. Classification of the roads may be done in consultation with the Ministry of Defence.

The Evaluation Committee on Panchayati Raj appointed by the Government of Maharashtra has recommended the formation of a separate statutory coordination committee outside the Zila Parishad to be called 'Planning and Review Committee' which may provide a forum for associating and informing the people's representatives.

According to the committee, this would be a useful and reasonable method of associating the legislators, that is, MPs, MLAs, and MLCs with the broad working of the Zila parishads.

For reasons of proximity and better coordination amongst its departments, the Government of *Haryana* has decided to construct at each District Head quarters a multi-storeyed building to house all the important Government offices and courts as well as branches of the State Bank of India, Post Office, Life Insurance Corporation, Income Tax Department, etc. A recommendation to this effect was made by Punjab Administrative Reforms Commission.

Such a step would save time, money and energy for the people and result in considerable economy by cutting down unnecessary correspondence. Besides, it would have the added advantage of enabling the Town Improvement Trusts to re-develop headquarter towns on planned and aesthetic lines.

The Committee on Secretariat Procedure headed by the Chief Secretary, which was set up by the Government of *Rajasthan* to inquire into the problem of delay in Government business, has submitted its report. Amongst its more important recommendations are the following: (1) Cutting down the number of levels (including those of political executive) of consideration and decision making in the secretariat to four (including one political executive); (2) Greater respect by political executive of the General Standing orders included in the Rules of Business; (3) Setting up of Group system in all departments as recommended by the Secretariat Reorganisation Committee; (4) Special procedure for consultation of departmental Officers or a Committee for examining highly important matters of policy; (5) Stricter high-level vigilance on the work in arrears; (6) Setting up of small departmental libraries housing relevant rules, manuals and necessary professional literature; (7) Separate Cell for Hindi translation work; (8) Fixing public interview hour from 2.30 to 3.30 p.m. for officers; (9) Greater and more strict interchange of officers in secretariat and field; (10) In-service training of LDC's of about 4 months; (11) Appointment of a separate Committee to review the basic rules like the Rajasthan Service Rules and the General Financial & Accounts Rules as well as the different Manuals and to examine possibilities of further delegation of powers in financial matters from the Finance Department to the Administrative Department etc.

A number of the recommendations made by the Committee have been accepted by the Government and orders to the Secretaries and Heads of Departments issued for their immediate implementation. For example, pending cases requiring references are to be disposed of in monthly meetings of Secretaries and Heads of Departments in the Chamber of the Minister concerned.

A special Committee appointed by the Government of *Rajasthan* is considering whether the present three-tier system comprising the Tehsildar, the SDO, and the Collector in revenue administration could be replaced by a two-tier system, without sacrificing the quality of decision and efficiency. The Committee's Chairman is the Chief Secretary to the Government.

The Government of *Rajasthan* has created the post of Commissioner for Border Districts. His main functions and powers will include keeping general supervision over the revenue officers, including Collectors in the six border districts, and Sub-Divisional Officers or Tahsils in the districts, in order to ascertain that the activities pertaining to the security and other allied matters are

being properly conducted and co-ordinated. He will also record his opinion about the working of the Collectors, regional officers and police officers (of the rank of Superintendent of Police and above) and forward them to the Chief Secretary and concerned Heads of Departments. These reports will form a part of the character rolls of the said officers.

• • •

According to an empirical study of the *Background of Indian Administrative Service Officers*, which compared IAS recruits [illegible] with those in [illegible], the number of recruits with [illegible] qualification [illegible] degree [illegible] IAS has [illegible] 42 per cent in [illegible] per cent in [illegible]. [illegible] Engineering [illegible] graduates has increased from [illegible] per cent to [illegible] per cent. The number of Master's degree holders [illegible] changed, as it was [illegible] in [illegible]. The number [illegible] degree holders increased from [illegible] per cent in [illegible] that the ratio of Science Degree holders [illegible] from 23.[illegible] per cent [illegible] per cent in [illegible]. The number of first class degree holders has increased from [illegible] per cent [illegible] per cent in [illegible].

On the parental background of the IAS recruits, the study reveals that the [illegible] of the sons and daughters of [illegible] servants increased from 43.[illegible] per cent in [illegible] to 49.1 per cent in 197[illegible] although the largest number (4[illegible] per cent) came from income group below Rs [illegible] per month. The representation of agriculturists has gone down from [illegible] to 10.4 per cent. Similarly, the proportion of male officers has also declined from 91.[illegible] per cent to 90.7 per cent. The study discloses that though the representation of Scheduled Tribes officers has increased from 4.6 to 7.3 per cent, the representation of Scheduled Castes has remained static.

On geographical representation, the findings of the study are that during [illegible] Uttar Pradesh, Punjab and [illegible] accounted for 4[illegible] per cent as compared to [illegible] per cent in [illegible]. Again [illegible] per cent of the [illegible] of the service are drawn from U.P. ([illegible] per cent), [illegible] per cent), Bihar (11.[illegible] per cent), West Bengal ([illegible] per cent) and Punjab (6.4 per cent) respectively. [illegible] per cent [illegible] the IAS were drawn from other parts of the country.

The study was conducted by [illegible] Research [illegible] Department of Personnel.

According to the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act passed by Parliament [illegible] the [illegible] age of the Comptroller and Auditor General of India has been fixed at 65 years. His salary will be the same as that of a Supreme Court Judge and, [illegible] pension [illegible] would not exceed Rs 15,000 a year. His other conditions of service will be the same as those of an IAS officer holding the rank of Secretary to the Government of India.

In its Nineteenth Report (Fourth Lok Sabha), the Public Accounts Committee had pointed out that on an average one out of seven posts was found surplus in organisations examined by the Staff Inspection Unit (SIU) of the Ministry of Finance between 1964-65 and 1968-69. Another finding of the SIU's

studies to which the Committee had drawn the attention of Government was that the number of surplus posts had tended to increase over the years. These facts, the Committee had later said, suggest the need for a periodical assessment of the staff position in Government Departments and undertakings.

The Government has, however, not found it practicable to accept this recommendation of the Committee because, besides other reasons, of the magnitude such an assessment and limitations of SIU, and giving some more time to Department of Administrative Reforms (Ministry of Home Affairs) which is engaged in methods and procedure studies of various organizations.

The Union Government, on December 10, submitted for Lok Sabha's approval a Bill proposing a uniform pattern of gratuity to industrial workers throughout the country. Under the provisions of the Bill, employees drawing wages up to Rs 750 a month in factories plantations, shops, establishments and mines will be entitled to gratuity. This will mean 15 days' wages based on the rate of wages last drawn by the employees for every completed year of service or part thereof in excess of six months subject to a maximum of 15 months' wages. The term 'wages' will mean basic wage plus dearness allowance.

At present, there is no Central law to regulate the payment of gratuity to industrial workers, except the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955. Kerala legislation conferred this right on workers last year. An Ordinance by the West Bengal Governor in June this year also permitted similar concession to the workers in that State.

The appointments Committee of the Union Cabinet has desired that the Ministries may be advised not to fill up such vacancies on a regular basis which are caused by the absence of an officer who has gone on deputation for training and that an officer should be expected to return to his post after the leave, unless by agreement the officer is transferred to some other Ministry. Similarly, when an officer is deputed for training, the post should not be filled up on a regular basis. It should be available to the officer on his return from training. The practice heretofore followed of filling such vacancies on permanent basis used to render the officer surplus on his return from the training programme.

The Government of India, on November 10 set up a high level Committee on Police Training headed by *Prof. M. S. Gore*.

The Committee will examine the shortcomings of the present training arrangements at the Union and State levels and make comprehensive suggestions for improving police training keeping in view the socio-economic background of the country, our value systems, continuing impact of science and technology not only on social norms and behaviour but also on the methodology of government and its functionaries.

The Union Government will give special Casual Leave of six days to all male Central Government servants who undergo sterilization. Women employees will be entitled to fourteen days' Casual Leave for sterilization and one day's Casual Leave for an IUCD insertion.

Daily wage workers will be entitled to the same benefits with

pay provided they have been working on a whole-time basis for six months and expect to remain in service for at least three months after the sterilization.

Additional interim relief in Dearness Allowance, ranging between Rs. 7-15, has been granted to the Central Government employees, including a large number of armed forces personnel. The relief was recommended by Third Pay Commission and will cover personnel drawing up to Rs. 1,290 per month.

Effective from October 1971, the amount of relief payable for October and November would be credited to the provident fund accounts of the employees. The employees made this gesture in view of the emergency in the country.

Government of *Haryana* has tightened the criterion and procedure of retaining a government servant in service beyond the age of 55 years. Basing on the overall review of confidential reports showing a good record of performance, an employee may be allowed to continue on yearly basis till he attains the age of 58 years.

In order to relieve the ex-servicemen from the trouble of long journeys, they have to undertake for selection against temporary posts, the Government of *Haryana* has decided to set up District Selection Committees for ex-service-men in each district, with the Deputy Commissioner as Chairman, District Employment Officer, Secretary District Soldiers', Sailors' and Airmen's Board and a representative of the employing Department as members. This Committee will select one candidate out of a panel of two names sent by the Employment Exchange. The candidate recommended by the Committee will be appointed and no further selection by the employing authority will be necessary.

Following substantial increase in the rent of private houses in Chandigarh and other cities in the state, the Government of *Haryana* has agreed to offer further relief to those employees who are not provided with Government accommodation. It has also reviewed the classification of cities in the light of latest population figures.

On September 9 the *Maharashtra* Legislative Council passed the Maharashtra Lokayukta and Upa-lokayuktas Bill, 1971. The Bill paves the way for tackling the corruption complaints against public servants and Ministers under the jurisdiction of the State Government.

Maharashtra's 17-member Committee (Chairman: [illegible] P. Naik) on problems of women employees of the State Government submitted its report to the Government on December 8.

[illegible] of women employees the Committee has recommended setting up of Enquiry Committees at divisional headquarters with the Commissioner of the Division as Chairman and at Sachivalaya level with Chief Secretary as its Chairman, and that women employees should be permitted to approach direct the Commissioner of Division or the Chief Secretary without incurring disciplinary action. Besides extension of provisions of the Bombay Police Act relating to externment of goondas to rural areas, the committee has also suggested fixing responsibility of protecting women employees working in rural areas on the Police Patil by amending the Village Police Act accordingly.

Other important recommendations include (1) Posting women of

past middle age in rural areas and young girls in the urban areas; (2) Appointing women employees near the place of work of their husband guardian, (3) Avoidance of long distance transfers and, if necessary, transfers may be made by the Commissioner or the Head of the Department only, (4) No compulsion for female employees to accompany male officers, (5) Providing accommodation at accelerated rate to women working in rural areas, (6) Prevail[illegible]ng upon women employees on duty to wear simple dress always.

The recommendations of the Committee which was appointed on February 28, 197[illegible], would benefit about [illegible] women employees working in urban and rural areas the largest number being employed in *Zila Parishads*.

Eighty per cent of vacancies in *Maharashtra* Government services or the services of Government owned Government sponsored aided Corporations, Government operated Industrial Units, Co-operative Institutions and *Zila Parishads* will be reserved for persons, having the prescribed minimum educational and age qualifications, who belong to such families which do not have a single earning member and such families whose monthly assured income is less than Rs. 200 or owned and less than one family holding under the Tenancy Acts. For this purpose, 'a family' will be defined as husband, wife, their children, the parents of the husband. The 80 per cent reservation of the total annual vacancies will include the percentage of reservations of schemes now in force. The Employment Exchanges will follow this policy in forwarding names to Employers.

Government of *Rajasthan* has evolved a scheme for providing practical in-plant training (both in private and public sector industries) to the unemployed engineering graduates and diploma-holders. Administration of the scheme and the periodical review of its progress will be the responsibility of a Committee of Direction which would prepare estimates of the number of training placements available in selected industries in the State. The unemployed engineers would be entitled to stipends during the period of their practical training.

The Government of *Uttar Pradesh*, with effect from October 1, 1971, has decided to declare all Panchayat Secretaries in the State as Government employees. They will be known as Panchayat 'Sewaks' and will work under the control of the District Panchayat Raj Officer.

Subject to the availability of qualified candidates 15 per cent of vacancies shall henceforth be reserved for candidates belonging to the Scheduled Castes and 5 per cent for candidates belonging to Scheduled Tribes, to be filled up by direct recruitment in all the *West Bengal* State Services (Class I including West Bengal Civil Service, judicial), Class-II, Class III and Class-IV, provided that the candidates possess the minimum prescribed qualifying marks in any test or examination.

Fees for admission to any examination for selection to a service or post shall be reduced to one-fourth of the normal rate in the case of candidates belonging to the reserved classes.

• • •

The Law Commission in its report, placed before the Lok Sabha on November 16, has advised the Union Government against abolition of capital punishment having regard to the peculiar conditions prevailing in India, and to the paramount need for maintaining law and order at the

present juncture. Even after all the arguments in support of abolition of capital punishment are taken into account, according to the Commission, there does remain a residuum of cases where it is absolutely impossible to exhibit any sympathy for the criminal. It has however recommended that there should be a provision in the law requiring the court to state its reasons for imposing a death sentence or the lesser sentence of imprisonment for life in a murder case.

The Commission would have certain classes of persons exempted from the death sentence such as persons below 18 at the time of commission of the offence. The argument of the [illegible] of the Supreme Court [illegible] to make that an appeal shall lie to the Supreme Court as a matter of right in all cases in which a sentence of death has been passed or [illegible] by a High Court has not been suggested.

Definition of "public servant" should be expanded to include any member of Parliament or of a State legislature, according to the report.

The Government of India has constituted a National Committee on the Status of Women in India. Dr (Mrs.) Phulrenu Guha has been appointed Chairman of the Committee.

The Committee will examine and report on matters relating to the working of the constitutional, legal and administrative provisions which have a bearing on the social status of women, their education and employment. The problems of working women, including those of discrimination in employment and remuneration, will also come within the purview of the Committee.

Government of India has announced a new scheme to provide free housing sites for rural landless with 100 per cent central subsidy. The State Governments will select rural areas in district where land was available and facilities like roads, drinking water supply, drainage etc. could be ensured.

Under the National Programme for Non Student Youth for the Fourth Plan period Government of India (Ministry of Education) has decided to take up schemes pertaining to development of playfields and work centres only. These schemes were recommended by National Youth Board.

As per the scheme, play fields are to be provided with the help of [illegible] other agencies of the [illegible]. Central assistance subject to a maximum of Rs. [illegible] per [illegible] during the Plan period will be given to [illegible] districts [illegible] in each State for that purpose. The work centres [illegible] grants [illegible] per State during the Plan period [illegible] with a [illegible] potential [illegible] of self employment.

The Union Government has set up an 11-member Committee to coordinate the activities and working of the tribal area cooperative organisations now functioning in a number of States. These organisations are being run for the welfare of tribal people with the specific purpose of improving their economic condition by establishing a viable cooperative network in tribal areas and thereby eliminating the middlemen. The Committee will also assist in organising sales and providing exchange of views, experience and market intelligence.

Creation of a Central Institute for effective coordination among different research bodies engaged in tribal research, has been suggested in the Report of the Commissioner for Scheduled Castes and Scheduled Tribes, 1969-70, which was submitted to Parliament on December 23. Also emphasized in it is the need for more on-the-spot studies in order to know whether reservation orders regarding quantum of representation of the Scheduled Castes/Tribes in Services were being properly followed. This has been the conclusion of a recent study undertaken in some of the offices of Delhi Administration, according to a report. The report makes a number of recommendations to combat meagre representation of these classes in the Services. Such universities as have not so far accepted the principle of reservation, have been called upon to fall in line.

Population and Health Education should form an integral part of the curriculum in schools. This has been recommended by a 13-day Workshop on Health and Population Education in Schools, organized by the Ministries of Health and Family Planning and Education and the World Health Organization. About 40 participants from various educational and health agencies attended it.

Radio is the main source of information on family planning to the majority of people in the age group of 16 to 30 living in the slum areas of Delhi, according to the findings of a survey conducted by the Listener Research Unit of All India Radio.

Some of the other interesting data on family planning programme as brought out in the survey are: (*a*) Every three out of four persons said that a married couple should have up to three children; 60 per cent wanted 3, 14 per cent two, and 1 per cent only one child. (*b*) Out of those who favoured three children, *i.e.*, 60 per cent of the sample, an overwhelming majority (86%) wanted two sons and one daughter. Only an insignificant number of the sample (1%) wanted all the three, sons. (*c*) Economic reasons, such as old age security, fear of mortality, helping hands at home, family business, etc., dominated those who were in favour of four children or more. (*d*) Fiftyeight per cent of men amongst those who knew of method(s) of family planning said that they considered condom the best method. Of the women respondents 32.3 per cent also preferred it to other methods. (*e*) Awareness of loop was about 60 per cent amongst men and 46.6 per cent amongst women. But only 6 per cent of men and 4.6 per cent of women thought it the best method. (*f*) Vasectomy was known to 33.6 per cent of men and 19.6 per cent of women but only 8 per cent of men as well as women favoured it as the best method.

The Department of Health of Delhi Administration, on September 7, appointed a sub-committee and a special sub-committee to go into the problem of air pollution in the city of Delhi. The sub-committee, which will study the harmful effects of smoke emitted by DTU (Delhi Transport Undertaking) buses, is expected to submit its report within a month. The special sub-committee, on the other hand, will investigate the question of sulphur-dioxide and the fly ash emission from the DESU (Delhi Electricity Supply Undertaking) Thermal Power Station and it has been asked to report by the month of November 1971.

A Committee, constituted in May last year, is already examining the problem of air pollution in the

country as a whole. Among other things, it is studying air pollution acts in other countries and will prepare a draft air pollution control bill for India.

The Legal Aids Committee, in its report submitted to the Government of *Gujarat* on November 13, has made proposals for the desirability of giving legal aid to the poor (and to persons belonging to backward classes) in civil, criminal, revenue, labour and other proceedings, and has recommended the steps to be taken for implementing these suggestions. The Committee was set up in June, 1970.

Government of *Maharashtra* has set up a special Committee (Chairman: *Shri M.D. Chaudhari*, Minister for Education and Cultural Affairs) to prepare a draft White Paper, spelling out the policies and programmes for the next 15 years in respect of youth welfare activities in the State. It will specifically consider and make recommendations about the proposal to establish a Youth Academy and to create an independent "Welfare Fund for Youth Welfare Activities".

The Government of *Mysore* constituted on November 26, a 3-member study team to inquire into the problems of the Government/Grant-in-aid Hostels in the State and to suggest within three months, improvements in their present working conditions.

• • •

The Planning Commission has constituted ten task forces and a steering group for making an assessment of natural resources in the country and identifying gaps in relation to programmes of planned development and recommending further surveys required.

The task forces are for: Coal and Lignite; Atomic Minerals; Minerals (other than atomic and oil); Marine Survey; Oil; Aerial Surveys; Groundwater, Surface Water; Forest and Land and Soils.

These will arrange for the formulation, in collaboration with the various organizations concerned, of coordinated programmes for surveys of natural resources in different parts of the country in relation to development plans for five years as well as for fifteen years. For carrying out these programmes, the task forces will indicate the inputs in terms of manpower, finance, time and equipment, supported by a network and will coordinate the various survey agencies for concerted action so as to achieve maximum results with minimum efforts.

A five-member Committee, headed by *Shri B. Venkatappiah* (former Member of the Planning Commission), has been set up by Union Government to review the working of the Self Removal Procedure (SRP) in respect of excisable commodities.

The committee will determine whether SRP has achieved its objectives or has led to evasion of Central Excise levy and, if so, in which areas. It will also examine whether any items are not suitable for clearance under SRP. Besides recommending change in the scheme, if necessary, the Committee will suggest alternative to SRP in respect of goods which do not fit into the scheme properly. It will also go into the organizational set-up of the Central Excise Department for collection of duties under SRP.

A Master Plan for location of storage capacity to handle a procurement of 11·1 million tonnes of foodgrains and a distribution of 10·5 million tonnes by the end of the Fourth Plan in 1973-74 has been

drawn up by the Expert Committee on Storage, appointed by the Planning Commission which was set up in August 1970. *Shri S. Vohra*, Adviser, Planning Commission is the Chairman of the Committee consisting of representatives of Planning Commission, Ministries of Food and Agriculture, and Finance and Railway Board.

The Government of *Gujarat* has set up Working Groups to assist a Steering Group in the preparation of an outline of 10 Years Perspective Plan (1974-75 to 1983-84) for the following sectors of development: (*i*) Industry, Power and Minerals; (*ii*) Agriculture, Irrigation, Animal Husbandry and Forests; (*iii*) Education and Manpower Planning; (*iv*) Pollution of Air and Water. The basic objectives of the Plan would be to promote: (*a*) full employment, (*b*) diffusion of economic power, and (*c*) balanced development.

The Groups are headed by: *Shri Madanmohan Mangaldas, Shri H. M. Patel, Dr. Umashankar Joshi, Shri H. S. Mehta*. The Governor of Gujarat heads the Steering Group.

The Government of *Jammu & Kashmir* have made Guest Rules more stringent for effecting economy in expenditure on extending hospitality to the State guests.

The Government of *Maharashtra* has decided to set up a State High Level Coordination Committee under the chairmanship of the Chief Minister, for scientific and technological research and its utilization, with a view to harnessing these for rapid socio-economic development of the State. It will act as a 'Think Tank' of the State Government for constant review of scientific and techno-[illegible] policies in relation to the [illegible]ves of the State's successive [illegible] Year Plans.

The committee envisages promotion of cooperation between the universities, central government laboratories, and the science and engineering based departments of the State Government, like agriculture, public health, industry, irrigation, buildings and communications, etc. It will enlist the cooperation of professional men, such as scientists, doctors, engineers, agricultural extension workers, etc., in the State and harness their energies and know-how to accelerate the pace of economic development of the State.

Keeping in view the need for exercising utmost economy in administration, the Government of *Rajasthan* has apointed a Committee to advise about the measures to be taken in this regard. The Committee would be headed by the Finance Minister.

*   *   *

By virtue of an amendment of the Industrial Development and Regulation Act on November 3, the Union Government has been empowered to take over mismanaged industrial units or those closed down for more than three months. A major modification of the Act is that industrial units so taken over would not be returned to the original owners. The Government would have the powers either to sell these to other parties at a reserve price or reconstruct their management with the Government having a controlling interest or wind these up.

The Government of India, on October 16, took over the management of all 214 private coal mines in the country, except the captive mines of the steel units. Under a Presidential Ordinance, called the *Coking Coal Mines (Emergency Provisions) Ordinance, 1971*, an organisation for the management of these mines has been set up with *Shri K. S. R. Chari* as

the Custodian-General. Pending their nationalization, the Ordinance provides for management compensation, of 25 paise per tonne of coal on the average monthly production during the calendar years 1968, 1969. and 1970 for every month the management remains under the Central Government.

A Committee of experts is to be set up shortly by the Government of India to suggest measures for expansion of research and development work in the field of telecommunications, including bringing indigenous designs and technology on par with those obtaining in advanced countries. Methods to achieve coordination in the field of research with other organizations engaged in similar work will also be suggested by the Committee.

Research and development work being carried out by different organizations under the Ministry of Communications will be reviewed by the Committee before it makes its recommendations. The organizations are: Telecommunications Research Centre of the P & T Department and its telecommunications workshops, the Overseas Communications Service and Indian Telephone Industries Hindustan Teleprinters—two public sector undertakings under the Ministry.

Under *The Jayanti Shipping Company (Acquisition of Shares) Ordinance, 1971*, issued on October 17, Government of India has been authorized to nationalize the Jayanti Shipping Company. The Ordinance stipulated that all except 100 shares will stand transferred to and vested in the Shipping Corporation of India which has been managing the company since June 1966. The 100 shares set apart will be transferred to the nominees of the Central Government to enable its functioning as a Government company. The Government will pay a sum of Rs. 4·5 crores as compensation to the shareholders and the amount will be apportioned among them according to the number of shares held.

The Committee on Public Undertakings (1971-72) of the Fifth Lok Sabha has, in its report on Hindustan Steel Limited (HSL), advised against any frequent changes either in the character of the Board of Directors or its personnel, as has happened in the past. The Board of Directors at present consists of 13 members including the Chairman. The Committee would also like the Board to ensure that the plant management's initiative and self-confidence is maintained by allowing them to function independently within their respective spheres of delegated authority.

The Committee, as against the findings of the Industrial Engineering Department (IED) of HSL in 1963-64, is of the opinion that there was surplus staff in HSL which could be made available to other steel plants expected to be set up in the country.

Noting with regret the low productivity in the three steel plants of HSL, the Committee suggested that R & D Divisions of the Steel Plants and the Central Engineering and Design Bureau of HSL should ascertain the technological innovations and manning pattern, etc., in other advanced countries (like Japan, USA, and West Germany) for adoption in HSL Steel Plants.

The Committee has undertaken this year a horizontal study of Personnel Policies and Labour Management in the public undertakings to cover the problem of labour unrest in HSL and its remedies.

A Committee, with *Shri N. N. Aggarwal* (Joint secretary, Planning Commission) as Chairman, has been

constituted by Union Government to Study the nature and scope of modernization needed by the leather goods industries in the organized sector. The Committee will determine the additional capacity required in these industries to achieve the export targets. It will also assess the financial requirements for the purpose.

Ministry of Shipping and Transport has appointed a Committee under the Chairmanship of *Shri T. N. Chaturvedi* (Chief Secretary, Delhi Administration) to enquire into the problem of stopping leakage of revenues of Delhi Transport Undertaking.

The Delhi Transport Undertaking, which was so far functioning under the Municipal Corporation of Delhi, has been replaced by an autonomous body, "Road Transport Corporation". The Corporation will have a managing board of nine members with the Lt.-Governor of Delhi as Chairman.

The Government of *Maharashtra* has decided to introduce the workers' participation in the management of Government-owned and Government-sponsored/aided Industrial Corporations, Government-operated Industrial Units and in Industrial Cooperative Units on the basis that there should be on their Boards of Directors a minimum of two or one-fourth of the total number of Directors, whichever is higher, as workers' representatives to be nominated by their recognized Unions from amongst the permanent workers of these concerns. The workers' representatives on the Boards of Director of Public Sector undertakings and Cooperative Industrial Units will participate and vote in all matters of management except in respect of elections of the office-bearers of these concerns. The Government has also decided to recommend to the Government of India to enact legislation early to give this right of participation to industrial workers in the private industrial sector.

The Government of *Maharashtra* w.e.f. December 1, has decided to allow only accredited representatives of industrial and business concerns to call on the officers of the Directorate of Industries. Interviews to them would be granted on production of accredition letter.

The proprietor, Manager or the Resident Director of the firm/industrial concern need not have a letter of accredition but power of attorney will have to be issued by the firm to the person concerned who would be representing the firm.

The Government of *Orissa* has set up a new department to look after some of the major State Government undertakings and corporations. All new corporations formed by the state in future will be under this department.

BOOK REVIEWS

POLITICAL PARTIES IN INDIA. By HORST HARTMANN Meerut, Meenakshi Prakashan, 1971, p. 278, Rs. 40.

Political parties are found in all modern states whether democratic, totalitarian or authoritarian. There are certain functions essential to the working of states which parties alone can effectively discharge as has been pointed out by Joseph La Palombara and Myron Weiner in their recent volume *Political Parties and Political Development*. This is why they have come into existence in India and their number has considerably increased in post-Independence period. Many scholars, both Indian and foreign, have been making a study of these parties with a view to finding out their precise role in the functioning of the Indian political system and the extent to which they resemble or differ from parties in other democratic states. Among them is Horst Hartmann, a German, and his book *Political Parties in India* is one of the best on the subject. It is so for more than one reason. There have been a number of books on each of the parties—Congress, Communist, Swatantra and so on—but except for Weiner's Volume published in 1957 there is no book so far which makes a comparative study of all the parties and gives a total picture of their role. Hartmann's book fills this gap and fills it in a thorough manner. Secondly, it is not merely a book on political parties but one which deals in detail with the way they shaped the working as distinguished from the legal constitution of the country. It is this wider background against which the study is carried that gives a special importance to the book. There is considerable justification for the author's claim that his book is "a scientific political analysis of the working constitution in India". In the third place is the clarity with which the author gives expression to his ideas. He avoids the jargon—especially the American jargon—which has today overtaken the writings of many Indian scholars, like Rajni Kothari, and which makes it difficult even for specialists to make out the meaning of what they write. The book has a wide appeal because of this quality not only to specialists but also to lay readers.

The author examines political parties from two points of view. One is their organization, structure, membership, and programmes. The other is their successes and failures in successive elections and the causes for their fluctuating fortunes. Naturally, more space is given to Congress than to other parties. Special attention is drawn to: (*a*) Congress continuing to be a movement—as it was in the days of the freedom struggle—instead of transforming itself into a political party in the usual sense of the term; (*b*) the factionalism which prevails in it; (*c*) the absence of emphasis on ideological commitment; (*d*) the unsolved problem of power relationship between Congress government

and Congress organization; and (*e*) the plebiscitary trend which has become more pronounced under Smt. Indira Gandhi's leadership. Though all this throws a good deal of light on the dynamics of Congress party there is no thorough examination of the soundness of Rajni Kothari's theory of Congress system to which the author makes a reference. Do factions inside Congress fulfil the role of opposition parties as Kothari claims? Are the opposition parties mere pressure groups? Is the party organization coordinate with government as Kothari argues or has it become subordinate to it? Is the one-party dominance in India so very much different from the one-party dominance found from one general election to another in Norway, the U.S.A. and in very many of the states in the United States especially in the south? With his knowledge of European Political parties, Hartmann could have given satisfactory answers to questions like these. But he has not done so perhaps for want of space.

Hartmann's account of the other parties—Socialist, Communist, Jana Sangh, Swatantra, Bharatiya Kranti Dal, D.M.K. and some other parties is detailed and brings out their points of strength and weakness. He broadly divides parties into two classes—the parties of integration and parties of separatism. He places the Jana Sangh in the latter category because of its emphasis on Hindu culture and the role of R.S.S in its working. In this part, he has not devoted sufficient attention to the social base of each of the parties. This may be due to the paucity of material on the subject.

The most important function of parties is to take part in elections because it is the elections which provide the arena for competi politics characteristic of democr and determine who should rule country. The special feature elections, in India is that in all five general elections, so far h Congress was returned to powe the centre. Even in years w Congress policies were subject criticism and peopl: were diss fied with them Congress was vo to power. The author analyses causes of the discontent but i not clear from his analysis whet and to what extent rational co derations played a part in deterr ing the voting pattern. The impr sion his analysis creates is that t played an important part but results do not bear this out. Congress victory is more due to multiplicity of parties and t failure to come together to set common candidates to opp Congress. He himself recogn this. He is a great admirer of plurality system as distinct from proportional system and it is former which is the system in country that explains Congr victories. There is also the rol 'the Vote-Banks' and the cha matic influence of Nehru in the p and Indira Gandhi in 1971. author makes allowance for all th factors. This makes his study elections and parties one of the l of such studies.

The author has a number observations of an illuminat character on the working of Indian political system as a wh It has given stability to the coun There have been no attempts topple democracy. At the s time, he refers to the possibility political instability and give number of suggestions as to w should be done to prevent Healthy conventions regarding role of the State Governor, Speakers and the conduct

legislators should grow. The politics of defection and corruption should disappear. Every citizen should have a minimum standard of living guaranteed. More serious attempts should be made to remove caste, regional and linguistic cleavages and to promote national integration. One significant omission in all this is the relation between political parties and federalism.

The book is a significant contribution to an understanding of the working of the Indian political system and the role of parties in such working. It deserves careful study.

— M. VENKATARANGAIYA

PLANNING INDIA'S HEALTH, By Dr. K. S. SANJIVI, Bombay, Orient Longman, 1971, Rs. 8, p. 119.

To those interested in the nation's health problems, Dr. Sanjivi's monograph is most welcome. It is surprising that while there is a spate of books on various aspects of economic and educational planning, no book has come out so far on the vital theme of health planning. There is need for a public debate on planning for the nation's health and perhaps Dr. Sanjivi's monograph will help towards it.

Anything coming from Dr. Sanjivi's pen on the subject of health should command respect. He has been an eminent physician in the Public Health Service of Madras, and subsequently the sponsor and guiding spirit of the magnificent scheme of providing cheap medical care on a contributory basis to the people of Madras city. His monograph is inspired by a deep concern for the nation's health and a catholicity of approach which cuts across much of the orthodoxy that is found in some segments of the medical profession.

Dr. Sanjivi has made a plea for providing comprehensive medical care for the common people and the organization for this purpose of what he describes as mini-Primary Health Centres on a contributory basis for each unit of 10,000 population. The idea is valid though one may not agree with him with regard to the feasibility of his scheme or the details of organization and costing suggested by him.

Undoubtedly, we do not have in this country a comprehensive organization for providing preventive and curative health care to all families. There are massive programmes for the eradication or control of communicable diseases each with a separate vertical hierarchy of its own. For medical care, there are hospitals in metropolitan cities, and District and Taluka towns. The burden of ordinary medical care falls on private medical practitioners whose services are available to those who have the capacity to pay. The system of modern medical treatment being expensive, the poor in the urban areas—and they are quite a sizable proportion—are bereft of medical care at the hands of private medical practitioners resulting in congestion in the outpatient departments of the hospitals. In the rural areas health services are delivered by Primary Health Centres (PHC) and their appendages, the Sub Centres, which have started taking shape. But the coverage provided by this rural network is most thin, since one Primary Health Centre with one or two doctors is required to mind the health of a community of 60,000 people or more. There are few private medical practitioners of the modern system

in the rural areas, partly because of the known reluctance of modern medical graduates to move to the rural areas, and partly because of the low paying capacity of the rural clientele except in those areas where modest prosperity has dawned. We are still far from the goal of providing potable water supply to all the people in the rural areas which leads to water borne diseases. Environmental sanitation is at a low level and health education has not been seriously attempted. All these things require a large investment. There is no doubt that the investment is most worthwhile, but financial constraints dictate the need for setting priorities.

It seems the first priority should be to complete schemes for the provision of potable water supply in the rural areas, and to create consciousness of the need for environmental sanitation and personal hygiene among the people. The next priority is to speed up and conclude the major programmes for the eradication of communicable diseases, like malaria, smallpox, filaria and cholera, and to turn to mass immunization of the population, particularly children from diseases like tetanus, whooping cough, diphtheria, polio and blindness. Maternal and Child care and supplementary nutrition are yet another high priority. Meanwhile, the number of Primary Health Centres and Sub-Centres should be increased so that the geographical and demographic coverage of each unit is abridged and thereby rendered meaningful and effective. The Indian Systems of Medcine and Homoeopathy have somehow to be fitted into the mosaic of health care for the people. This is the course of evolution on which the nation is set and the progress will depend on the availability of resources from one Plan to another. Dr. Sanjivi's idea of mini-Primary Health Centres for a unit of 10,000 population can perhaps be tried in the urban areas only for the reason that he visualizes a part-time doctor for such health units, and it is obvious that part-time doctors would not be available in the rural areas for a long time to come. Medical care is a State subject and perhaps some State Governments or local bodies may take a cue from Dr. Sanjivi's monograph to organize mini-PHCs in the urban areas.

R. N. MADHOK

***TWILIGHT OR DAWN: POLITICAL CHANGE IN INDIA (1967-1971)*, By IQBAL NARAIN, Agra, Shiva Lal Agarwal & Co., 1972, Rs. 20**

The innumerable printing errors which assail the eye as one reads this work by a well-known Indian political scientist makes one wonder if the proofs were read at all. For this, both author and publisher must share the blame. But let us turn to the contents of this volume which deals with political change in India from the elections of 1967 to those of 1971. Between these years, the political landscape changed considerably; one-party democracy, which seemed to crack up, throwing politics into a condition of unpredictable fludity, returned with renewed life. There has been a marked swing in the ideology of the ruling party towards a more pronounced radicalism, particularly since the split in the Congress. This was symbolized by the nationalization of the banks and the new slogan directed to the banishment of poverty from the land. Indian federalism in these years has undergone several stresses and strains; the role of the governor in the constitutional system has been debated; questions relating to law and order have engaged the

attention of government as well as of thoughtful citizens. The economy has undergone substantial changes which seems to reflect the turmoils of politics.

In this volume, Professor Iqbal Narain deals with the main aspects of this period. The core of the volume consists of some ten articles which have appeared in print earlier. It is obvious that these essays could have been used or reprinted at a later date only after substantial revision. The volume seems to suggest, however, that the author either did not succeed in making these changes or failed to put in the necessary effort. Let me give just one illustration of this failure. Professor Iqbal Narain continues to speak of infra-structure, inter and intra-party factionalism and the role of personality as the key determinants of State politics and mentions in this context the Shiv Sena in Maharashtra politics. But the Shiv Sena, as it exists today — at the time this book is published — is merely the ghost of the original movement sitting on its own grave! Even Bal Thackeray would be amused at the efforts of a political scientist to extend longevity to his once massive movement.

Professor Iqbal Narain believes that popular faith in the virtues of the ballot box has been strengthened; that the Indian voter 'has emerged more politicized, more discreet, more bargaining and, altogether, more elusive with every general election in the country'. But he also notes the growth of violence which he feels is still largely an urban phenomenon. But do we know enough of the realities of rural India to make this statement with confidence? He also makes a distinction between *potential threat to constitutional methods* and *actualized erosion of constitutional methods*. To my mind, this is a distinction of little relevance; as Professor Iqbal Narain himself observes, "we never know when the latter would overwhelm and supersede the former, because even the most abandoned optimist would concede that the country is standing on the thin edge of a precipice, where no one can be too sure of the final step". If so, why make that hair-splitting distinction at all? Moreover, what does faith in the ballot box mean when the integuments of the social fabric are giving way, as Professor Iqbal Narain himself admits?

There are a number of other statements which invite the reader's dissent. For instance, to speak of parties of the Right and Left is not particularly illuminating in the Indian context. Professor Iqbal Narain speaks of the parties of the left as those attaching primacy to the public sector, swearing by science and technology and believing in the economic regeneration of society. The statement seems to imply that the parties of the Right, so-called, have no interest in science and technology or any concern for the problems of economic development of the country. Again, there are occasionally sentences which leave the reader befuddled. Consider the following. "In sum, the argument developed in this projective (and thus necessarily somewhat subjective and not in all cases empirically formulated) analysis is that the Indian political system is a dynamic system, having at once the potentiality to change and the vitality to survive it." Survive what?

Any study of political change must take into account the interactions of economic and political changes; the growing unemployment which according to one estimate has been increasing at the rate

of 6,000 a day, rising prices and inflation and other related factors. I notice no more than a couple of paragraphs on this important aspect. Again, I find a total omission of the problem of political corruption or any mention of the political factors which impinge on industrial development.

Professor Iqbal Narain's work thus suffers from many defects and it would have gained considerably if more care had been bestowed on stylistic qualities of the language. Professor Iqbal Narain has chosen an attractive title for the book but it would have been more appropriate if a question mark had been put at the end of the main title.

I have dealt with the defects and blemishes of this book only because it is a book that deserves our attention. It contains much useful information which the scholar can profitably use. Professor Iqbal Narain has focussed attention on the more prominent features of the political landscape of India in a period which the historian in the future will undoubtedly regard as critical in the political development of the Republic. There is much in this book which merits further analysis.

S. P. AIYAR

DEVELOPMENT ADMINISTRATION IN INDIA, By BIRKESHWAR PRASAD SINGH, Patna, Jnanada Prakashan, 1969, Rs. 35, pp. X + 310.

While India has registered a fair degree of success in accelerating industrial and agricultural development in recent years, these developments have been, unfortunately, accompanied by a soft-pedalling and even back-pedalling on certain fundamental policies. The policy of introducing and institutionalizing the concept of Panchayati Raj was one such policy which had gained a high priority on Union and State government agenda by the early sixties but during the second half of the sixties Panchayati Raj has been relegated into near obscurity. The volume under review, a painstaking empirical account of administrative structure and processes in a Community Development Block of Bihar, offers a timely reminder of the problems and pitfalls of Community Development *sans* Panchayati Raj. Using a battery of field-work techniques, the author has highlighted the built-in weaknesses of any programme of rural development which does not involve the elected representatives of the people and does not provide any statutory powers to the peoples' representatives to direct the energies of the government officials.

At a time, when the institutionalization of Panchayati Raj was underway in several states, Bihar was one of the few states to adopt a lukewarm approach towards introduction of Panchayati Raj as envisaged by the Balwantrai Mehta Study Team. Whatever might be the political reasons behind the Bihar Government's attitude, its practical consequences have been clearly highlighted in this study whose insights and evidence have been duly underpinned by field data collected by the author during December 1963 to June 1964. The Kanchan block (the author has given a pseudonymous name to the block he actually studied) fulfils the formal qualifications of a 'model' block laid down by the Bihar Government and appears to be a representative of block as far as rural life in the Gangetic plain is concerned. Hence, the author's findings deserve a careful scrutiny.

by scholars as well as policymakers interested in the general problem of development of Development Administration. Leaving aside the author's academic evasion of the issue of defining Development Administration or showing the relationship between Development Administration and Community Development Administration (the author's implicit logic seems to be: Community Development involves Development. Hence, administration of Community Development Programme is Development Administration), the empirical description of the structural and processual aspects of the administrative system of a Community Development block leaves no scope for doubts regarding the utility and urgency of blending democratization with decentralization at local levels.

In the absence of implementation of the idea of 'Democratic Decentralization' in Bihar, the block administration, the author convincingly shows, remains weak and effete and its kingpin, *viz.*, the BDO functions as a multi-purpose worker least interested in the schemes involving 'development' and most interested in the traditionally prestigious work of revenue collection (pp. 99-102). The deliberative wing of the CD administration (consisting of a Block Advisory Committee or Block Development Committee, (BDC), both being non-statutory, non-elective bodies) too failed to make its presence felt as most of the non-official members did not show any interest in field-administration of development projects (pp. 129-131) or participation in meetings of the BDC (pp. 149-150). In view of the non-development orientation of the BDO and non-democratic origins of the BDC, it should not at all be surprising to be told by the author that: (*i*) the Five-Year and Annual plans of the Kanchan block were prepared by mechanically copying the targets, funds and schemes indicated in the 'model' Schematic Budget without taking into account local felt-needs or the development programmes of the other organizations, like PWD or the Khadi and Village Industries Board (pp. 48-64); (*ii*) the survey for fixing the block-wise socio-economic bench-mark was entrusted to overburdended VLWs and the BDO, and the AEO regarded it as a minor and unimportant work which was completed only due to the "manipulating genius" of the Junior Statistical Officer (pp. 67-68); (*iii*) the department-wise block development plans did not evoke either any enquiries or any enthusiasm in the various sub-committees of the BDC and the participation of non-official members in the BDC meetings pertaining to plan-formulation was practically nil (pp. 73-74); or (*iv*) the annual village plans were being prepared casually and were never taken seriously by the block or district authorities (pp. 77-78). It is truly a dismal picture that the author paints as far as the sector of economic development is concerned.

Although the author has not based his studies on any sophisticated model of Political Development, the material presented in the study clearly indicates the primacy of politics in the rural life which is clearly reflected in the style of administrative behaviour adopted by the BDO and others involved in the so-called Development Administration. In Kanchan block the author shows, that the political consciousness of the non-officials is high and most of their interest in development programmes was motivied by power-politic (pp. 140-141 and 151-152) and the key officials, specially the BDO, had to take special steps to

keep themselves in the good books of all the important political leaders and local 'influentials' (pp. 103-104 and 162-166). The intense politicization of rural elite is further reflected in the process of factional evolution in the Kanchan BDC where the dynamics of caste rivalries resulted in emergence of a multi-caste faction styled "Rajput-cum-Communist faction"! (pp. 131-136). It is, indeed, instructive to learn from the author about the Kanchan BDO's contention that "A BDO must indulge in local politics to ward off the troubles created by the local politicians" (p. 104) and the author's reportage of the political activities of the Kanchan BDO makes one ask the question as to whether it is desirable to maintain a facade of non-politicization of Development Administration or would it not be better to place the block administration under a democratic and elective leadership which would have a lesser propensity to enter into informal political relations with the block bureaucracy?

True to the tenets of the case-study technique, the author has been careful in presenting his work as only an "empirical study of the administration of a community development block" (p. 5, p. 256, etc.) but in the portfolio of 'suggestions for improvement' (pp. 262-265) he has virtually paraphrased the Balwantray Mehta Study Team's recommendation for 'Democratic Decentralization' in the following words "To ensure people's participation a fully democratic body with adequate powers may be established.... The decision of the popular body should not be only advisory, but final and binding. The linking of the community development administration with the local self-governing institutions in rural area seems to be the only way out for securing the maximum possible participation of the people in the administration of development programmes" (p. 263). Since the Study Team's proposals had been a matter of public debate since 1957, the author, publishing his work in 1969, should have gone a little beyond reiterating what was already publicly known and had, indeed, been incorporated in public policy of the Union and several State governments. As far as government policy-makers in Bihar are concerned, they would do well to reflect upon the well-researched reportage provided by Shri Singh and re-evaluate their own concepts of Panchayati Raj in the light of the dismal state of block administration sketched by this intensive case-study.

In the end, a comment about the methodology and data seems to be in order. The author has, no doubt, adopted a quasi-anthropological technique of field-study with considerable success but he has evidently not realized the pitfalls associated with employing this method in studying one's own society where the actors involved not only read what the investigator writes but may also be personally affected, even adversely, by the researcher's factual reportage. From the internal evidence vouchsafed by the author (pp. 14-16) it is reasonable to surmise that the author had considerable "previous contact" with the Kanchan block and did not face any problem in establishing his bonafides as academic investigator and winning the confidence of the residents of the block. Not only this, the author admits: "Insights were obtained when the author had to actively participate in the decision-making process because of his close association with the BDO, most of the members of the block staff, the faction leaders and some villagers" (p. 15). While these intimate personal bonds may have helped the author to obtain a lot of 'inside' or 'untold' stories, their inclusion in the

book is likely to have adverse impact on the life and careers of the individuals involved. The author has, for example, graphically described the personal politico-administrative behaviour of the BDO and has given details about the types of rumours and allegations circulating about his personal and official conduct which would have, normally, remained buried in local memories but are now available for scrutiny by relevant key officials and non-officials at State and Union levels. These references, may, conceivably, even enter into administrative assessments of the BDO and other officials concerned. The Social Scientists' commitment to factual accuracy would, in such cases, boomrang upon the social-scientists themselves because (publication of) their academic research may have unpredictable feed-back effects upon the field-situation itself. The author has, of course, taken the standard precaution of disguising the name of the block involved but the concerned district and secretariat policy-makers in Bihar must be fully aware of its true identity and there is nothing to stop them from taking the material presented in this volume into consideration for administrative purposes. This is, indeed, a serious issue for social scientists to ponder over because the credibility of their academic claims of neutrality and impersonality would be seriously jeopardized if their output becomes an input in the administrative operations

—P. C. MATHUR

MODERN POWER POLITICS (COLD WAR : A CASE STUDY); By B P. JEEVAN READY, Madras, Orient Longman, 1970. p. 268, Rs. 15.

The Cold War has been a typical post-war phenomenon which represented and reflected the cold realities of super power politics in the reconstruction decade of the war-ravaged world. Enough has happened since then and the emerging world of the Seventies has witnessed 'the thaw', 'the lull' and 'the multipolarity' dividing the very ranks and camps of the former allies of the fifties. The flux of the nuclear power-politics, coupled with the exit of the great heroes of history, like Dallas, Stalin, Eisenhower and Krushchev from the scene has not only caused defections in the warring camps but has basically changed the very nature, the complex and even the actors of the drama. The latest Sino-U. S. flirtation along with the mounting confrontation within this erstwhile Communist block and Peking occupying a permanent seat now in the United Nations are some of the puzzling variables that throw new light on the fading realities of the past. A constant and sober evaluation of these new dimensions in the context of the day-to-day evolution and adjustment of the super power relations and responses is the historical need of our times.

Mr. Jeewan Reddy's book comes as a welcome addition to the shelf of international relations. It is an analytical study of the cold war, especially of its origin, growth and later diffusion. The book has been planned into three distinct parts. The first part deals with the events of the inter-war years (1917-1939) commencing with the Bolshevik revolution, the dictated peace of Versailles, the allied intervention and the role of the comintern in East European affairs, all finally leading to the emergence of Hitler and the painful events of the second world war. To these developments of the inter-war years can be traced the origins of the Cold War, which was to characterize the overt hostility and encirclement

policies of the post-war period. The second part of the book covers the most picturesque and the eventful decade from 1943 to 1953. Beginning from the Tehran Conference of the 'big three', it ends with the end of the mysterious personality of Joseph Stalin, who dominated the post-war scene like a Colossus. In this part of the study, Shri Reddy chornologically presents his narration countrywise and very ably handles the analysis of events at Yalta, Potsdam, China, Korea and of course, Berlin, which more than once accentuated the Cold War and pushed it to the hot rimlands of belligerency. Exhibiting a penetrating historical insight into the grim realities of the situations, the author in this part of his book reflects upon the contributions of great statesmen like Churchill, Roosevelt, Truman and Stalin, who individually and collectively gave decisive turns to world history in those fateful years. The third part of the book, as the author admits, "is in the nature of an epilogue and covers the events from 1953 to 1968". The account of these last 15 years presents the varied manifestations of cold war in the troubled regions of South East Asia, Middle East and the Latin America. The last chapter on 'India and the Cold War' is a telegraphic summary of events justifying India's non-involvement, which is popularly known as the policy of non-alignment.

The chief merit of this book is its lucidity, readability, intelligible organisation of facts and an inimitable style of saying several difficult things in a simple sentence. The author, who is a practising lawyer, has an incredible command over facts and exhibits his professional precision, while narrating events and hazarding judgements. The countrywise development of events of Cold War provide the much needed connective to the narrative and even a lay student of International Politics can very easily make out what is all that fuss about. To the advanced students Shri Reddy's conclusions are fairly provocative. For example, while concluding about the fate of future unification of two Germanys. Shri Reddy writes: "The emergence of the two entirely different and hostile social and ecconomic systems in the two parts has made the unification further difficult. The longer the split lasts the harder will be the unification and in this nuclear age it appears that the two German states have come to stay." (p. 129). Needless to say that it is too much of a simple position on too complex a problem.

Modern Power Politics is certainly a very well written treatise. It is extremely rich in data, much of which has been collected from the memoirs and autobiographies of the statesmen, whom history destined to graple with the dilemmas of the post-war chaos. The chapters on Greece, Turkey and Eastern Europe are highly informative and provide the inside story as depicted through personal conversations and even dinner speeches (p. 155 and 171). The author has obviously read widely and thought deeply on problems of the Cold War in various aspects. His masterly treatment of the subject makes it an absorbing reading. The analytical approach provides an insight and furnishes the required perspective, which a discerning reader certainly acquires in the process.

On the weaker side of the study, it can be pointed out that the author has been too ambitious to cover such a wide and varied spectrum of events that (notwithstanding all that the brevity and precision of style can yield) the book has emerged as a mere 'useful handbook' on Cold War and its manifestations. Part first is too sketchy and a subject like

'Russia and the Peace Conference' (1919) has just summarily been disposed of in four pages (pp. 19-23) assuming as if the reader has already read the reference works. Similarly, in Part III again the author seems to be in hurry and the two chapters on 'India and the Cold War' are quite disappointing especially when the author holding a brief for India's nonalignment very perfunctorily jumbles some eight arguments like an undergraduate vainly struggling to make them ten or a dozen (pp. 196-97). The book is replete with long and sometimes even irrelevant quotations and that too from too familiar works, like Sir Winston Churchill's *War Memoirs*, George F. Kennan's *Soviet Foreign Policy*, K. P. S. Menon's *India and the Cold War*, Harry Truman's *Double Day*, etc. On page 89, the author quotes from the address to the Joint Session of the Congress on March 12, 1947 by President Truman to enunciate what is so very well known to all the text-book writers of international politics as Truman Doctrine. This quote runs into full three pages and that too in a book wherein facts seem like running against its size. The lopsidedness of emphasis on events sometimes blurs the picture and thereby provides an avoidable jerk to the serious reader.

When it should be conceded in all fairness to Shri Jeevan Reddy that his book is "a well thought out and well written book", it will certainly be naive to accept it as "a result of exhaustive research" as claimed by the publishers. The author is certainly a devoted student of contemporary history and even as a practising lawyer he could come out with such a useful and informative book on a complex subject like Cold War is highly creditable. His simple and effective style, in the absence of academic sophistry and confused jargonism, makes it all the more refreshing. The book deserves to be read by all those who often feel pained to see super power responses on issues like Berlin or Bangla Desh in the seventies.

—Prabhu Datta Sharma

PRINCIPLES AND PHILOSOPHY OF COOPERATION, By P. R. DUBHASHI, Poona, Vaikunth Mehta National Institute of Cooperative Management, 1970, p. xiv + 250, Rs. 15.

India is unique among the developing countries of the world in using the cooperative movement as an instrument of economic as well as social progress. In size and in quality, the Indian Cooperative Movement is among the largest and the best. Equally praiseworthy is the awareness of the need for improvement and the wave of reformism sweeping over the entire movement. [illegible] therefore, though Dubhashi's book is a collection of the lectures delivered by him while he was the Director of the Vaikunth Mehta National Institute of Cooperative Management, they represent a laudable effort in original analysis and writing and constitute a very valuable addition to the volume of literature on cooperation with particular reference to Indian conditions.

The origin of the cooperative movement can be traced to the coming together of certain [illegible] groups of consumers as in the case of the Rochdale pioneers [illegible]

farmers in need of agricultural credit as in the case of the Raiffeisen movement—to safeguard themselves against exploitation from the more advantaged sections. Principles were formulated from the practical experience of these pioneer and these principles with very minor refinements have been continuing to guide the cooperative movement till this day whether in the capitalist, democratic, socialist or communist countries. Dubhashi has discussed intensively and in some depth of the each of principles of cooperation with particular reference to their validity in present day conditions. He has referred at some length to the deviation noticed in India with regard to the principle of membership. In some types of societies in this country, there are "Sympathiser Members", who are enrolled for their ability to provide guidance, direction or leadership. We have also 'associate' and 'nominal' members in some societies. Dubhashi appears to be unduly harsh against such deviations, but it should be remembered that in developing countries, cooperation should not be made a "Procrustean Bed". Dubhashi has done well to discuss at some length the implications of the new principle adopted by the International Cooperative Alliance in 1966, *i.e.*, "Cooperation between Cooperatives". Concrete measures for ensuring cooperation between different types of cooperative societies and between the different tiers of the cooperative hierarchy in respect of the same type of cooperative society have been suggested by him. [illegible] this is [illegible] and in my opinion a valuable [illegible]

[illegible] discussion on whether cooperation [illegible] system or only a sector, [illegible] into the realm of [illegible] In 1925, [illegible] Commonwealth as its objective. In [illegible] with this, Dubhashi builds up [illegible] eloquent though not a convinc[illegible] thesis for the recognition of [illegible] operation as an economic syste[illegible] According to him, the "cooperati[illegible] system can combine the best of t[illegible] two worlds of individualism a[illegible] collectivism, of democracy a[illegible] socialism. . . Cooperation seeks [illegible] deliberate and conscious reconstru[illegible] tion of society and economy". It [illegible] suggested that the discussion of th[illegible] question is a little diffused. In fac[illegible] it lacks depth. The thesis cannot [illegible] established by pontifical pronounce[illegible] ments or by generalizations, howeve[illegible] extravagant they may be or even [illegible] couched in elegant language. Pe[illegible] haps the level of the audience, fo[illegible] whom this lecture was original[illegible] meant, and the length of the publica[illegible] tion prevented the author from doin[illegible] justice to the discussion of this con[illegible] troversial issue.

The chapter on "State and co[illegible] operative Development" is the *piec[illegible] de resistance* of the entire book[illegible] Consistent with the doctrine o[illegible] *laissez faire* prevalent in the 19t[illegible] century, the early cooperative think[illegible] ers were not only averse to any assist[illegible] ance from the State but also appre[illegible] hensive of State patronage and interference. But with the extension of the role of the State and the [illegible] possibilities it assumed for social security and for special protection for the disadvantaged sections of the community, a change in the attitude of the cooperative thinkers was noticeable. It was felt that [illegible] operators refused to derive any assistance from the State [illegible] they would be [illegible] without State [illegible] [illegible]

The cooperative movement on its side also considered this a golden opportunity for not only expanding the scope of the movement but also for extending its service to the community at large. There was, of course, the danger that the independence of the movement would be mortgaged to the dictates of the State and it would be more a State sponsored movement than a partnership for economic progress. There is no doubt that with the State coming to the help of the cooperative movement in a big way, the movement becomes very susceptible to the machinations and influences of political pressure groups as a result of which several economic decisions of the cooperative movement are likely not to be dispassionate but coloured by partisan political influences. The remedy for this lies not in the cooperative movement maintaining an aloofness but in aiming to be self-reliant. In the words of the renowned Indian Cooperator, Shri R. G. Saraiya, "It should cover a wide section of the field of economic activity and in its turn help the State to carry out some of its economic policies but it should maintain its own power and initiative, individuality and [illegible]".

The book concludes with a brief but useful statement about the application of the principles of management to cooperatives and a stimulating effort to pin-point the moral basis of the cooperative movement. Dubhashi cannot be accused either of being uncharitable or pessimistic when he laments the devaluation of moral values which one sees in the cooperative movement as it is practised today. But there is no need to despair. Permanent and fundamental values will remain permanent and fundamental in spite of temporary aberrations and no effort to constantly direct peoples energies in the direction of the ideal is ever in vain.

—V. Subramaniam

URBAN PLANNING & LOCAL AUTHORITIES, By R. B. DAS (ed.), New Delhi, Oxford & IBH, 1970, p. 137, Rs. 10;

STATE MACHINERY FOR MUNICIPAL SUPERVISION, New Delhi, IIPA, 1971, p. 58, Rs. 6; and

PROPERTY TAX ADMINISTRATION, By V. JAGANNADHAM and N. S. BAKSHI, New Delhi, IIPA, 1971, p. 86, Rs. 14.

Of late, public interest in the [illegible] of urban government has [illegible]. The problems of day-to-day [illegible] in urban areas are [illegible] and they can be [illegible] only by the active involvement [illegible] public agencies. How [illegible] [illegible]

Das's volume is a collection of papers of a Seminar on "The Role of Local Authorities in Urban Planning". The major question before the participants of the Seminar was: Can local authorities effectively perform the tasks of urban planning and development? And the participants, themselves, recognised that the local [illegible] available with the local authorities [illegible] to effect a comprehensive urban planning. Local bodies [illegible] difficulties [illegible] clearance, [illegible]

public housing and in checking land speculation in the urban areas. Further, local bodies have limited capabilities to resolve basic problems arising out of rapid urbanization in India.

As the Rural-Urban Relationship Committee observed: "While a number of Plans are being drawn up they are bound to remain paper plans in the absence of the necessary legislation and machinery for their enforcement and implementation. Even where planning authorities exist, there is no proper agency for the positive tasks of coordinated development. Often the limitation on the jurisdiction of the planning authority prevents the plan being prepared on an area-wide basis. The concept of planning, as envisaged in the various Acts, is narrow and limited and the statutory provisions for extending jurisdiction to a mile or two beyond the boundaries of towns or cities are grossly inadequate for the purpose of planning in the regional context. It must be recognised that the boundaries of urban local bodies should take into account the growing needs of urban spatial development and the interdependence of the city and the surrounding rural areas."

The consensus of the Seminar was as follows: 'The question is whether municipal bodies can effectively perform the tasks of urban planning and development. Constituted as they are with limited jurisdiction it may not be possible. The concept of planning and the development of urban infra-structure calls for an [illegible] investment. In fact, most of [illegible] expansion and haphazard [illegible] taking place in the peri- [illegible] which obviously has [illegible] in the municipal [illegible] number of other [illegible] with in an urban [illegible] a [illegible] master plan must, to be meaningful, encompass within its perspective what the city promises to be rather than what it is.'

The participants of the Seminar did not view the problems of city planning in the context of overall national planning. The nation has not taken the decision to resolve all the social problems by planning. Howsoever capable local bodies may be, slums cannot be cleared because the poor have to live. The speculation in land cannot be checked by local bodies, because the country has decided to guarantee the right to own property to the private citizens. In its analysis, the Seminar ignored the national perspective and the result is that its ultimate recommendations touch only the fringe of the problems generated by urbanization.

While the Seminar held at Lucknow dealt with problems of urban planning and role of local authorities, the Seminar at the IIPA concerned itself with the problems of inter-institutional relationship and the role of State government in providing guidance and supervision to the municipal governments. The participants in the Seminar agreed that the accent of State supervision over the [illegible] has been on the negative, restrictive and punitive side. Functioning of State Directorates of Municipal [illegible] and of the District Collector [illegible] to municipal bodies [illegible] A participant suggested that intervention should rarely be [illegible] at the right time and [illegible] [illegible]

operational efficiency of the municipal bodies. 'Inspection . . . is, however, of a very general nature, it is intended to probe into the working of the municipal authority as a whole . . . the spirit of inspection is generally inquisitorial and rarely advisory and promotional. In the absence of any clear idea about its role and purpose, inspection often degenerates into a perfunctory ritual'.

Some of the other important suggestions made during the Seminar were: (1) Although there are legal provisions for the issue of directives to the Municipal Corporations by the government, there is hardly any instance of such directives being actually issued by it. (2) The differences in the size of municipal authorities—big, medium, and small—should be kept in mind in any scheme of government control over the local bodies. (3) A Finance Commission should be set up to determine the financial relationship between the local bodies and the State Government and the local bodies should be allowed to tap more financial resources from the urban population. (4) Curiously enough when there would be a genuine case for intervention by the State Government, the latter would often falter because of the political and financial implications of its action. (5) Inspection is not conducted on functional lines and its spirit has often been inquisitorial rather than advisory and promotional.

While the above mentioned booklet [illegible] the proceedings of two separate Seminars, Jagannadham and [illegible] have undertaken a study of "Property Tax Administration of [illegible] Municipal Corporation". [illegible]

ment. This finding has been proved with the help of concrete data of the sample of 450 files pertaining to property studied by the authors. The loss of revenue to the Corporation from Property Tax Administration is quite substantial. The failure of the Corporation is at every stage in this process, *viz*., (*a*) its failure to detect the newly constructed property, (*b*) its failure to despatch the bills as well as demand notices to the payees, (*c*) its failure to assess properly the rateable value of the property, and finally (*d*) its failure to collect the tax levied on the property.

The study shows that the Corporation is not able to manage its affairs properly, and is incapable of collecting its legitimate share of revenue from the property owners. The problem is: the citizen is not interested in paying the tax and the Corporation is not administratively competent to collect it.

As the authors of the study observe: 'However, during our examination of 450 cases, we seldom came across a property owner who took the trouble to inform the Corporation about the structural changes in his building or increase in his rents, etc. This lack of conformity to legal requirements by the citizens coupled with the inadequate machinery for detecting properties which are to be assessed by the Corporation appears to be the main cause for loss of income to the Corporation.'

Another important variable pointed out by the authors for the loss of revenue of the Corporation is the role of the Corporators. The authors write: 'Assessment of properties are always open to the risk of interference by the Corporators. We were informed that in a few cases, the Corporators sit along with the [illegible] Officers at the time of [illegible] of objections pertaining to [illegible] which they have been elected.'

Thus, the [illegible] of staff, political interference and lack of desire on the part of the citizen to pay the taxes are factors responsible for maladministration of the revenues of the Corporation.

Jagannadham and Bakshi have performed a good job in studying the reality of the situation. It would have added to the quality of the book if the authors had concentrated only on the analysis and interpretation of their data. In an empirical study, they have brought their ill-founded opinions—this mixing up mars the quality of the book. The following statement of the authors is one such example: 'We are of the opinion that the citizens are reluctant to cooperate, and to make the Corporation staff's work easy. The main reason for this reluctance appears to be the discourteous treatment which the citizens usually receive at the hands of the Corporation's staff whether it is in respect of obtaining [illegible] for constructing a house, or in [illegible] ing the completion certificate, [illegible] about obtaining permission for [illegible] water-supply connections.'

The authors have no evidence [illegible] this statement. For this study, [illegible] have not interviewed any [illegible] No questionnaire was sent [illegible] authors to the citizen. They [illegible] their study from the files, and [illegible] data, it scientifically interpret[illegible] should preclude them from [illegible] hasty statements.

The value of these three [illegible] cations lies in the fact that [illegible] important aspects of city govern[illegible] have come to light. On the [illegible] various formulations [illegible] these three booklets, further [illegible] studies can be undertaken by [illegible] interested in the problems of [illegible] government.

—C. P. [illegible]

BOOKS RECEIVED

Aggarwala, S. K., *The Proposed Indian Ombudsman: A Comparative Study of the Lokpal and Lokayukta Bill, 1968*, Bombay, M. N. Tripathi, 1971, pp. 81, Rs. 12.50.

Asian Institute of Educational Planning and Administration, *Modern Management Techniques in Educational Administration* (*Seminar Report*), New Delhi, Asian Institute of Educational Planning and Administration, 1971, pp. 542.

Bhattacharya, Vivek Ranjan, *Challenge of Village India*, Delhi, Metropolitan, 1971, pp. 384, Rs. 40.

Chatterji, Amiya, *The Central Financing of State Plans in the Indian Federation*, Calcutta, Firma K. L. Mukhopadhyay, 1971, pp. 214, Rs. 30.

Dagli, Vadilal (ed.), *Commerce Year Book of Public Sector*, Bombay, Commerce (1935), 1971, pp. 447, Rs. 25.

Hartmann, Horst, *Political Parties in India*, Meerut, Meenakshi, 1971, pp. 276, Rs. 40.

Heble, M. N., *Reorganisation of Maharashtra Administration*, Bombay, Government of Maharashtra, 1971, Vols. I & II, Rs. 13.00 + 3.90.

Heckscher, Gunnar, *The Budget as an Instrument of Administrative Efficiency*, New Delhi, IIPA, 1971, pp. 52, Rs. 6.00.

Hicks, Ursula, *Federal Finance in a Developing Economy*, New Delhi, IIPA, 1971, pp. 14, Rs. 3.

Indian Institute of Public Administration, *State Machinery for Municipal Supervision* (*Proceedings of the Seminar, May 7 to 8, 1970*), New Delhi, IIPA, 1971, pp. 5[illegible], Rs. 6.00.

Jagannadham, V., and Bakshi, N. S., *Property Tax Administration* (*A study of Assessment and Collection Department of the Delhi Municipal Corporation*), New Delhi, IIPA, 1971, pp. 86, Rs. 14.

(Miss) Neeraj, *Nehru and Democracy in India*, Delhi, Metropolitan, 1971, pp. 301, Rs. 40.

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Vol. XVIII April-June, 1972 No. 2

EDITORIAL NOTE

The cost of producing, publishing and posting Indian Journal of Public Administration has risen considerably. To cover these increased costs, at least in part, the Executive Council of the Institute, on the recommendation of the Editorial Board of Journal, took the following decision at its 96th meeting held on the 25th February, 1972:

(*i*) annual subscription for the Journal from the *non-members* be raised to Rs. 25; and

(*ii*) advertisements be accepted selectively, for publication in the Journal on payment.

This decision will come into effect from January 1, 1973, *i.e.* from the first issue of Volume No. XIX of the Journal.

We request the non-member subscribers to take note of this decision and to remit their subscription for the year 1973 at the revised rate. Those who have paid their subscription in advance may kindly remit the difference, early. We hope that the subscribers will appreciate our difficulties and continue to be with us.

Revised price for a single copy of an ordinary number of the Journal will be Rs. 8 and that of its special number Rs. 15.

The Journal will, as before, continue to be made available, free of cost, to life members, ordinary members, associate members and corporate members of the Institute.

We request Government of India, State Governments, Union Territory Administrations, public and private sector undertakings,

publishers of books and other organizations to consider the Journal fc advertising their services and goods and for publicising their project programmes and progress. The advertisement tariff will be Rs. 500 fc an ordinary full page and Rs. 300 for an ordinary half page.

We hope that with the support derived through the measures tl Journal will be able to continue to serve all those who are intereste in the discipline of Public Administration.

—*Edit*

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION, 1961-1970 : A CRITICAL REVIEW

Donald C. Reh

THE Indian Journal of Public Administration (*IJPA*) is the official organ of the Indian Institute of Public Administration. The Institute has been recognized as the National Section for India of the International Institute of Administrative Sciences. The Indian Institute of Public Administration (IIPA) was established in March of 1954. The publication of *IJPA* commenced in 1955 as a quarterly and continues to be so till today.

The policy of *IJPA* is to "...further the objects of the Indian Institute of Public Administration ...."[1] Therefore the editor has pledged *IJPA* "...to devote itself to promoting the study of public administration in all its aspects and to provide a common forum for the exchange of information and views among all who are interested in the subject, whether as professionals or amateurs, as academic students or enlightened citizens".[2] In an attempt to establish and to maintain the intellectual level of *IJPA* as a leading Indian journal of thought, the editor stated that *IJPA* will not publish summarized or paraphrased materials available in texts and publications.[3] The editorial board has expressed a preference for "contributions based on original thought or on direct observation and experience ...."[4] In addition to the above mentioned invitation to theorists to contribute, the editor also invited foreigners to contribute articles by extending a particular welcome to "...accounts of new experiments in the field of public administration".[5] Late Jawaharlal Nehru exhorted the members of the Institue, during his address at the Institute's inaugural meeting, to view successful public administration in the context of human beings with welfare problems.[6] This paper seeks to test whether *IJPA* has focussed on and carried forward that humanistic ideal of Jawaharlal Nehru.

---

[1] "Editorial Notes," *IJPA*, Vol. 1, No. 1 (January-March, 1955), p. 81.

[2] *Ibid.*

[3] *Ibid.*

[4] *Ibid.*

[5] *Ibid.*

[6] *Ibid.*

publishers of books and other organizations to consider the Journal for advertising their services and goods and for publicising their projects, programmes and progress. The advertisement tariff will be Rs. 500 for an ordinary full page and Rs. 300 for an ordinary half page.

We hope that with the support derived through the measures the Journal will be able to continue to serve all those who are interested in the discipline of Public Administration.

--*Editor*

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION, 1961-1970 : A CRITICAL REVIEW

Donald C. Reh

THE Indian Journal of Public Administration (*IJPA*) is the official organ of the Indian Institute of Public Administration. The Institute has been recognized as the National Section for India of the International Institute of Administrative Sciences. The Indian Institute of Public Administration (IIPA) was established in March of 1954. The publication of *IJPA* commenced in 1955 as a quarterly and continues to be so till today.

The policy of *IJPA* is to "...further the objects of the Indian Institute of Public Administration ....''[1] Therefore the editor has pledged *IJPA* "...to devote itself to promoting the study of public administration in all its aspects and to provide a common forum for the exchange of information and views among all who are interested in the subject, whether as professionals or amateurs, as academic students or enlightened citizens".[2] In an attempt to establish and to maintain the intellectual level of *IJPA* as a leading Indian journal of thought, the editor stated that *IJPA* will not publish summarized or paraphrased materials available in texts and publications.[3] The editorial board has expressed a preference for "contributions based on original thought or on direct observation and experience ...."[4] In addition to the above mentioned invitation to theorists to contribute, the editor also invited foreigners to contribute articles by extending a particular welcome to "...accounts of new experiments in the field of public administration".[5] Late Jawaharlal Nehru exhorted the members of the Institue, during his address at the Institute's inaugural meeting, to view successful public administration in the context of human beings with welfare problems.[6] This paper seeks to test whether *IJPA* has focussed on and carried forward that humanistic ideal of Jawaharlal Nehru.

1 "Editorial Notes," *IJPA*, Vol. I, No. 1 (January-March, 1955), p. 81.

2 *Ibid.*

3 *Ibid.*

4 *Ibid.*

5 *Ibid.*

6 *Ibid.*

The proposal mentioned above suggests that *IJPA* may be considered as a political entity in that it may be utilized as an instrument of interest articulation for a political or governing elite. Has an individual, a political party or a governmental department imposed its views upon the administrative horizon, by selectively excluding those offered contributions which would be harshly critical of the status quo? A critical analysis of authorship and subject matter of *IJPA* should reveal trends proving or disproving repression of thought and criticism by a political entity. Additional utilities of this study lie in the use by the editor of the suggestive comments and conclusions offered to correct or reinforce emerging trends and by political scientists in further studies.

Political affiliation with the government of India is visible in at least two instances. The presidentship of the Institute has been occupied by two Prime Ministers and two Union Home Ministers.[7] The present Prime Minister now occupies that position. Financial support of the Institute is also an indicator of political affiliation. The Institute, considered as an autonomous body by the Government of India, obtained its initial support through funding by that Government and by an initial grant from the Ford Foundation. The Government of India continues to fund the Institute by recurring and non-recurring grants. The Ford Foundation has given additional grants to the Institute for its training and research programmes. Additional means of support have been achieved from membership dues in the Institute and subscriptions to *IJPA*. The Institute had created the Indian School of Public Administration (ISPA) and was responsible for its entire operation till its closure in 1968.

In 1970, the editor offered a retrospective view of *IJPA*'s contributors and contents, as well as his view about the Journal's future. He described the contributors to *IJPA* as either academicians or practitioners. Academicians were described as persons engaged in India and abroad in the study and teaching of and research in public administration and allied subjects.[8] Practitioners included those actually practising public administration, business executives, elected officials, community leaders and other intelligentsia.[9] The latter category appears to be some sort of general grouping. A more detailed analysis of the contributors may reveal significant trends and influences of the sub-groups. The former category appears to be reasonably accurate and exclusive. The editor has described the Journal's traversed path

[7] Jawaharlal Nehru: 1954-1964; Lal Bahadur Shastri: 1964-1965; Y. B. Chavan: January-October 1966 and November 1967—October 1970; and Gulzarilal Nanda: November 1966—October 1967.

[8] "Editorial Note", *IJPA*, Vol. 16, No. 4 (October-December, 1970), p. 483.

[9] *Ibid.*

as a two-phased passage, with a third phase commencing at the end of 1970. The first phase appeared to be over by 1960. In that phase the Journal's contents were developed into definite "features" reflecting the editor's effort to accommodate into each issue several different types of worthwhile contributions to Indian public administration. The second phase, 1961-1970, may be described as the period during which *IJPA* established itself solidly in the public administration arena as a worthy contributing agency and forum for critical thought. The initial Special Number, one of the four quarterly issues brought out in a year focussing on a special problem in the Indian public administration field selected by the editor its editorial board, was published in 1961. This new issue suggested the beginning of phase two of *IJPA*. The selection of the topic of the initial Special Number, The Third-Five Year Plan, also suggested that *IJPA* was ready to come to grips with real public administration difficulties in India. Every year since 1961, the editor has devoted one Special Number to relevant public administrative problems in India. Based on these initial observations, I have selected the second phase for my review.

In this study of *IJPA*, I have selected only those authors and contributions listed under "Principal Contents" in each issue. It should be in this section where the main influence and intentions of the editorial board or any other controlling force should become apparent over the decade 1961-1970. I think that the other features, "Comments" (1500-word contributions critiquing previous articles published in the "Principal Contents"), "Research Notes", "Correspondence" and other content headings would be considered for analysis only in a critique of the entire Journal's contents.

Over the decade, the 447 contributors (this includes repetitive authorship) that published in *IJPA* were classified in this study as: (*a*) academicians, (*b*) practitioners, (*c*) practitioner-academicians, and (*d*) independents. I have defined an academician as a person at a university, college or institute of research or training, both in India and abroad engaged in the study, teaching, training or research in Public Administration and allied subjects (Political Science, Economics, Anthropology and Business). This definition is quite similar to the one used by the editor of *IJPA*. Practitioners I have defined as those individuals in administrative positions whose title has not been recorded in *IJPA*'s "Our Contributors" as Doctor or Professor. The third category I have established to accommodate those titled individuals, Doctors and Professors, employed in positions which require the combined expertise of an academician and practitioner. The label for the fourth category was the obvious conclusion for the majority of those not

classified into 'a', 'b', or 'c'. In placing contributors into each of the four categories, I have utilized the short two to three line job-title description of each contributor found in each issue under the heading "Our Contributors". The view here is that each of those small individual descriptions of a contributor's position is indicative of the editorial board's intent that the reader associate the author's present position to his subject matter in order that the reader, himself, may judge the author's qualifications for writing on his particular subject. In other words, the author gains credibility for writing on his subject through the relationship of his topic to his employment, as the latter is described in "Our Contributors", and not by his academic achievement level. Tables 1, 2 and 3 reflect the year-wise classification of the above mentioned scheme for the decade.

Table 1 shows that 48.6 per cent of the 447 contributors are classified as practitioners.

Table 1

Authorship of *IJPA* 1961-1970: Academicians, Practitioners, Practitioner-Academicians and Independents

	Academician	*Practitioner*	*Practitioner-Academician*	*Independent*
1961	6	15	11	1
1962	12	22	7	2
1963	19	15	4	—
1964	12	21	8	1
1965	8	31	8	3
1966	9	29	11	2
1967	11	24	11	—
1968	18	19	15	—
1969	9	20	20	4
1970	14	20	2	—
Total	118 (26.4%)	217 (48.6%)	99 (22.4%)	13 (2.9%)

$X^2 = 53.0796$ on 27 d.f.; $p = 0.00267$

Table 2 depicts the classification of those 227 authors contributing to the three regular quarterly issues. In this table, it is interesting to note that academicians account for 35.9 per cent of the contributions,

Table 2

Authorship of *IJPA* Regular Issues 1961-1970: Academicians, Practitioners, Practitioner-Academicians and Independents

	Academician	*Practitioner*	*Practitioner-Academician*	*Independent*
1961	6	5	6	—
1962	8	8	6	—
1963	11	8	2	—
1964	9	13	7	—
1965	7	15	4	3
1966	6	8	6	—
1967	11	8	3	—
1968	8	10	7	—
1969	7	13	2	—
1970	9	10	1	—
Total	82 (35.9%)	98 (43.3%)	44 (19.5%)	3 (1.3%)

X^2 = 39.5142 on 27 d.f.; p = 0.06008

Table 3 shows the classification of the 220 authors contributing to the Special Numbers. In this table, only 16.4 per cent of the contributors are considered as academicians, or about half of the number reflected in Table 2.

Table 3

Authorship of *IJPA* Special Numbers 1961-1970: Academicians, Practitioners, Practitioner-Academicians and Independents

	Academician	*Practitioner*	*Practitioner-Academician*	*Independent*
1961	—	10	5	1
1962	4	14	1	2
1963	8	7	2	—
1964	3	9	1	1
1965	1	16	4	—
1966	3	21	5	2
1967	—	16	8	—
1968	10	9	8	—
1969	2	7	20	4
1970	5	10	1	—
Total	36 (16.4%)	119 (54.1%)	55 (25%)	10 (4.5%)

X^2 = 83.2827 on 27 d.f., p = 0

An individual's entrance into the All-India Services and Central Public Services is testimony of an individual's extremely high level of achievement, both intellectually and professionally. Table 4 reflects those Civil Service contributors by service for the decade 1961-1970.

Table 4

Civil Service Contributors in *IJPA* 1961-1970: Regular Issues and Special Numbers

	Regular Issues	*Special Numbers*	*Total*
ICS	8 (3.5%)	26 (11.8%)	34*
IAS	31 (13.7%)	33 (15%)	64
IPS	4 (1.8%)	—	4
Total:	43 (19%)	59 (26.8%)	102 (22.8%)
IA & AS, IDES IRS, IES	11	2	13
Total:	54 (23.8%)	61 (27.8%)	115 (25.8%)

*Includes retirees.

$\chi^2 = 19.4687$ on 3 d.f.; $p = 0.00045$

These 115 contributors represent just over one quarter of *IJPA's* contributors, while the group of ICS, IAS and IPS contributors represent 22.8 per cent of *IJPA's* contributors. This latter percentage indicates some degree of elitism of *IJPA*.

A more interesting analysis of the elites who contribute to *IJPA* would be to compare the total number of ICS, IAS and IPS contributors to the practitioner-academician category total. The total of those in the latter category for the entire journal is 99 or 22.4 per cent of the contributors (Table 1). All-India Service contributors represent 102 or 22.8 per cent of the Journal's contributors, as mentioned above. If those in the All-India Services are considered as elites in the public administration field in India, and if those in the practitioner-academician category are considered as elites also, then the [illegible] elite contributors in *IJPA* falls between 22.8 per cent and 46.2 [illegible] as some individuals would be included in both groups. It is [illegible] to expect that at least one quarter of *IJPA's* contributors [illegible] be considered as elites. This figure strongly suggests that *IJPA*

has a definite elitist appeal. A method of devising the precise elite population group of *IJPA* is outside the scope of this paper.

The analysis of Table 4 also shows that the percentage of contributors from all the Civil Services is greater for the Special Numbers, 27.8 per cent, than for the regular issues, 23.8 per cent. Although IAS contributors had almost equal representation in the regular and Special issues, the ICS contributors were more frequently represented in the Special Numbers, 11.8 per cent, than in the regular issues, 3.5 per cent. Hence the Special Number appears to be the publication outlet for the elder Indian administrators, that is, those who are in the ICS. Their familiarity or expertise in those topical problem areas selected for the Special Numbers is obviously still in demand. I feel it is reasonable to conclude that in the Journal's open forum of competition, ICS members probably do not offer themselves as contributors to the regular issues as frequently as do those in the more recently established IAS. Possibly ICS members elect to contribute to *IJPA* only when invited to do so.

The frequency of foreign contributors to *IJPA* suggests the level of ethnocentrism in the Journal. Table 5 reflects a wider variety of foreign contributors, 22.5 per cent, in the regular issues compared to the Special Number, 4.5 per cent. Foreign contributors were those foreigners living inside and other foreigners living outside India. The majority of these contributors are academicians or practitioner-academicians types.

Table 5

Contributors from Regional Areas *IJPA* 1961-1970: Regular and Special Numbers

	India	*U.S.A.*	*Europe**	*Other†*
Regular	176 (77.5%)	31 (13.7%)	15 (6.6%)	5 (2.2%)
Special	210 (95.5%)	8 (3.6%)	2 (0.9%)	—

*Includes USSR.
†Includes New Zealand, Ceylon, Australia, Canada.

$X^2=32.9804$ on 3 d.f.; $p=.0000$

One conclusion suggested by the table is that the regular issues are more accommodative of foreign opinion and thought. Thus, the regular

issues appear to take the form envisaged by the first editor, that of providing a forum for those interested in the subject of public administration.

Relating authorship to a contributor's institutional affiliation offers some interesting utilities. One utility of such a classification scheme enables the reader to see where and at which level individual involvement in public administration as a profession becomes evident. Another is where the problems encountered in public administration become most aggravating or occur most frequently. No doubt these two utilities are closely interrelated. Table 6 shows that those employed at the Union Government level in public administrative positions are more frequent contributors to *IJPA's* regular issues than those employed in state and local government administrative positions. Union Government contributors represent 27.8 per cent of all contributors to the regular issues, while less than half that percentage, 12.8 per cent represents all the contributors from state and local governments. Another interesting relationship to notice is that by combining the totals of columns *D*, *E*, and *F*, into one group, another group emerges, the group of those contributors employed in an academic environment. This constituted group comprises slightly over half, 52.2 per cent of the total contributors to the regular issues. It is an academically oriented group which through its contributors fulfills in part the first editor's intent of having academic and enlightened individuals contribute to *IJPA*. It should be from this group that creative thought and new ideas in public administration would emerge, as opposed to those in the other categories. This is based on a hypothesis that this academically oriented group of Indians has more time for thought and should be more oriented towards creative and innovative thought in public administration than any of the other groups. A content analysis of one group *vs*. the other could test the latter half of that hypothesis. Considering the absolute majority of contributors represented by this constituted group of columns *D*, *E*, and *F* suggested above, *IJPA* appears as a forum for the academic and research institutions.

Lack of any contributors from the local government level suggests that the problems of reality in daily public administration—the frustrating problems associated with improving human welfare—might be overlooked in the Journal. This also could be tested in a subject-matter analysis. Contributors in the public-private enterprises are in all but one instance recorded as being in the public enterprises. The overall picture emerging from Table 6 is that public administration in *IJPA* appears to be more of a concern for those at the Union Government level and in the academically oriented institutions rather than for those in any other group.

Table 6

Year-wise Institutional Affiliations of Contributors, Regular Issues of *IJPA*, 1961-1970

Year	Union Government	State Government	Local Government	Universities	IIPA and ISPA	Institutes Laboratories	Public/Private Enterprises	Consultants Foundations
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1961	5	—	—	5	2	3	1	1
1962	4	6	—	5	4	1	2	—
1963	4	3	—	7	5	—	1	1
1964	11	5	—	5	3	4	—	1
1965	8	3	1	9	2	3	1	2
1966	9	1	—	4	1	5	—	1
1967	4	1	—	7	5	3	1	1
1968	7	4	—	4	3	5	1	1
1969	7	2	—	3	3	5	1	1
1970	4	3	—	7	3	2	1	—
Total	63	28	1	56	31	31	9	9

χ^2=47.8581 on 63 d.f.; p=.91655

An institutional affiliation analysis for the Special Numbers, shown in Table 7, reinforces the suggestion mentioned above that *IJPA* is more oriented towards the Union government level contributors rather than to state or local government contributors. More contributors, 36.8 per cent were found to be affiliated with the Union government level in public administration than with any other level or institutional affiliation category. This includes combining columns *D*, *E*, and *F* into a single academically oriented group as was done above for the regular issues. In Table 7, this group accounts for 68 contributors or almost one-third, 30.9 per cent, of the Special Numbers' contributors. However, in Table 7, column *D*, we note a smaller percentage in the number of university contributors, 7.9 per cent, as compared to the percentage of those contributors, 24.7 per cent, of the same column, Table 6. Notice of this change was originally suggested in Tables 2 and 3, category a, where the number of academicians contributing to the Special Numbers was less than half of those in the regular issues. The implications are that the editorial board feels that contributors from universities have little to offer in the way of successful resolutions of the problems discussed in the Special Numbers. Contributors from the Institute and from other institute-research agencies are reasonably equal in number, 27.3 per cent in Table 6 and 22.7 per cent in Table 7.

The balance in Table 7 between Union government affiliated contributors, 36.8 per cent, and the *D-E-F* group of contributors, 30.9 per cent, is significantly better than the balance between the same two groups in Table 6, 27.9 per cent and 52.2 per cent respectively. This balance of contributors has shifted from the *D-E-F* group of the regular issues to the Union government affiliated group in the Special Numbers. State and local government contributors represent 18.6 per cent of the authors of the Special Numbers. This is a favourable increase of contributors compared to the 12.8 per cent of the regular issues, and gives the Special Numbers the initial appearance of having a better overall balance in its contributors. However, an examination of most of the columns in Table 7 reveals that in some years an unusual number of contributors occurred in these categories. Bearing that in mind, the better balance among the institutional groups initially suggested is really a gross imbalance. This may be the consequence of the editor having selected a restricted topic for each Special Number and then inviting certain individuals or institutions to contribute.

The overall impression gained by looking at the two Tables, 6 and 7 together, is that the editor consistently appears to welcome contributors from the Union government level as they have contributed 32.2 per cent of all articles. State government contributors,

Table 7

Institutional Affiliations of Contributors to Special Numbers of *IJPA*, Year-wise from 1961-1970

Year	Union Government	State Government	Local Government	Universities	IIPA and ISPA	Institutes and Laboratories	Public/Private Enterprises	Consultants Foundations
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1961	10	2	—	—	—	—	2	2
1962	6	7	—	3	1	2	1	1
1963	5	—	—	1	9	—	2	—
1964	4	—	—	—	3	—	4	2
1965	4	12	3	1	—	1	—	—
1966	15	4	—	2	2	—	4	4
1967	12	2	—	1	1	1	4	3
1968	5	2	6	3	3	8	—	—
1969	13	—	—	4	1	15	—	—
1970	7	3	—	3	2	1	—	—
Total:	81	32	9	18	22	28	17	12

$\chi^2 = 217.19$ on 63 d.f.; $p = 0$

represent 11.2 per cent of all the contributors. University contributors represent 16.5 per cent overall. *IJPA* contributors represent 11.9 per cent, slightly more than State government contributors, and the other institutes and laboratories claim 13.2 per cent of all the contributors. Local government contributors represent a mere 2.2 per cent for the decade, a curiously very small number. In analysis, this reflects a significant tendency to publish a point of view expressed by practitioners at the Union government level. Contributors from academic institutions are not in a position to fill the void left by state and local government contributors.

The question then is why the imbalance of contributors from the local and state levels, if *IJPA* is pledged to study public administration in all its aspects? A few possibilities in answer to this question are offered for consideration. Possibly a lesser degree of thought or concern for the subject of public administration exists at the state and local levels than at the Union level. At the local level, individuals are dealing directly with humans and their welfare in contrast to their counterparts at the Union level. A second possibility is that they have little desire to contribute to the forum of *IJPA*. If they have submitted more contributions for publication than reflected by their numbers in *IJPA*, then the editorial board may be overly restrictive in their selection process. If may first point is valid then possibly some question as to the degree of professionalism of those public administrators need to be answered. Or could it be that at those levels, the problems are not significant, and possibly non-existent? Certainly, entire Special Numbers dedicated to Panchayati Raj, the Collector and Union-State relationships do not suggest this is to be the case.

Referring again to my original classification scheme and relating it to each author's frequency of contribution, one might expect practitioners to contribute more repetitively than those in the other categories. Table 8 is the tabulation of *IJPA* as a whole for repetitive authorship by number of articles and by the original classification scheme. Practitioners are slightly more repetitive as contributors than either academicians or practitioner-academicians and academicians are more repetitive than practitioner-academicians. By considering all contributors over the decade we find that 15.2 per cent of all contributors have produced 45.8 per cent of all articles.

One other aspect of authorship in *IJPA* is to consider the number of editorial board contributors. Seven different board members over the entire decade have contributed a combined total of eight articles. In addition, the editor has published two reprints, one written by Lord

Table 8

Repetitive Authorship of Contributors to *IJPA*, 1961-1970: Number of Articles and Type of Author

	Number of Articles							
1	2	3	4	5	6	7	8	9
Academician	10	6	2	1	3	—	—	—
Practitioner	15	8	1	1	1	—	—	1
Practitioner-Academician	12	2	—	1	1	—	—	1
Independent	2	—	—	—	—	—	—	—
Total:	39	16	3	3	5	—	—	2

Curzon and another by Sir John Malcolm. These ten contributor efforts represent 2.2 per cent of all the contributors. This figure does not signify a prolific contribution by the editorial board over the decade.

The picture, thus, evolving from the above mentioned analysis of authorship depicts the model contributor to be Indian but not a member of the Civil Services. If he has contributed to the regular issues he may be a practitioner at the Union Government level, or an academician affiliated with universities or institutes. If he has contributed to the Special Number, he appears to be a practitioner employed at the Union Government level.

What does the model contributor consider as his subject matter? In the following paragraphs I attempt to discover themes of subject matter for both the regular issues and Special Numbers. All 439 contributions can be related to specific geographic area or areas.* By relating subject matter to geographical area one gains an indication of the relative importance of Indian public administration for the editorial board and for IIPA, recalling that *IJPA* is supposed to further the objects of the Institute. The resulting array is displayed in Table 9 by both number and percentage. *IJPA* is primarily concerned with

*Eight articles have co-authors, thus the 439 articles plus the eight co-authored articles count to 447 contributors.

public administration in India. Seven-eighths or 87.5 per cent of the contributions in the regular issues refer to India, and 97.9 per cent of the articles in the Special Numbers refer to India. The latter figure reflects an extremely non-comparative, ethnocentric approach of the Special Numbers of *IJPA* in its discussion of internal public administrative problems.

Table 9

Per cent of Articles in *IJPA* with Reference to Geographic Area, 1961-1970, Regular and Special Numbers

	India	*Asia*	*Africa*	*Australia* *	*Britain* †	*Canada*	*Europe* ‡	*USA*	*Int'l* §
Regular	87.5	1.8	—	0.9	3.1	0.4	3.1	1.3	1.8
Special	97.9	—	0.4	—	—	—	0.4	0.4	0.9

*Includes New Zealand.
†Includes Indo-British discussions.
‡Includes Russia.
§Includes international organizations.

In considering the Government of India at the Union, state and local levels, as a specific topic for subject matter, I have analyzed it in terms of government departmental activities and government functions in an attempt to see whether concern in Indian public administration is for departmental activities or functions. Departmental activities refer to staff work and can be viewed as administrative control. Functions refer to action agencies of those agencies or bodies involved in the direct administration of programmes to the populace. This scheme was done for the regular issues only. I felt it would not be a meaningful scheme of analysis in the Special Numbers, as a majority of the topics for the Special Numbers appear to be oriented along departmental activity lines. Over the decade, in the regular issues, 31 articles were considered to be discussions of Government departmental activities, such as audit agencies, Parliamentary committees—like the Estimates Committee and Public Accounts Committee—and coordination groups between the Centre and District or Block levels. Articles discussing functions, such as specific training schools for administrators, Panchayati Raj bodies—like the Samiti—and functioning of some development agencies in relation to agriculture or industry, numbered 17. The distribution pattern over the decade, as indicated

in Table 10, was almost constant for articles discussing activities, while the pattern for those articles about functions was a little erratic.

Table 10

Number of Articles in *IJPA* with Reference to Departmental Activities and Functions, 1961-1970

	'61	'62	'63	'64	'65	'66	'67	'68	'69	'70	Total
Activities	3	4	5	3	2	2	3	3	2	4	31
Functions	2	2	4	—	—	1	4	1	—	3	17

A significance attached to this particular analysis is that articles discussing specific problem areas of departmental activities or functions at defined levels of the organization of government has been a specific topic for subject matter in 21.3 per cent of the articles.

Another way to view a collection of articles is to identify pervading themes. Two measurable themes that occurred as subject matter in the regular issues over the decade were the Panchayati Raj and Union level economics. Included in this latter theme are articles discussing various headings, suh as Finance, Budget and Economics. The various articles, after having been read in their entirety, appeared to be related to each other enough in subject matter and level of concern to be considered under one theme heading. This latter subject of Union level economics has occurred as subject matter in 11.1 per cent of regular issue articles, and the former subject, Panchayati Raj, accounts for 8.9 per cent of the subject matter of regular issues. Together, these subject concentrations account for 20 per cent of the regular issue articles. No other particularistic theme surfaced as frequently as did these two subjects, thereby suggesting some certain degree of concern for these problem areas. Indeed *IJPA* oriented one Special Number in 1962 towards Panchayati Raj. Eighteen articles or 90 per cent of all the Panchayati Raj articles occurred after that Special Number, indicating that the problems encountered in Panchayati Raj were by no means resolved by the contributions of the 1962 Special Number.

So far the picture emerging for the subject matter for the regular issues indicates that in an average issue of seven articles 1.5 articles per issue is in reference to Panchayati Raj and Union level economics, and 1.6 articles per issue is in reference to the Government of India viewed in either an activity or function role. There is some coincidence

between the Government of India roles and the Panchyati Raj. The subject matter of the remaining articles in the regular issues reflect a need to classify all subject matter in another scheme than described above. In this new scheme, as before, regular issues and Special Numbers will be separately analyzed and then compared.

In an attempt to classify subject matter other than by the above mentioned systems of identifying topics by titles and issues and articles were selected at random and then read. The main thrust or thrusts of the articles were then associated and rephrased as necessary to evolve an all inclusive and meaningful scheme. In other words, rather than arbitrarily establishing certain initial categories, I allowed the substance of the articles to suggest the classification schemes. Furthermore, the titles were not always indicative of the main thrust of the articles. Thus, it was possible to have several articles about the Collector occur, none of which could be classified in the same category. For example, one article might discuss the District Collector as an institution, another might discuss the personality type necessary for one to be a successful Collector, and a third might discuss Collector-Police relationships with emphasis on government policy or administrative structures. For clarification, an example of another type follows. Several articles were discussions of the budgetary process. One author has discussed controls, another has discussed how budgetary planning is accomplished, and a third has looked at certain tools or techniques utilized in budget estimation. The scope of each category in my scheme is defined below to illustrate the breadth or exclusiveness of each one.

Theory covers, as it suggests, theoretical discussions of administration, including development administration theory, rationalization of new administrative concepts, and empirical observations leading to new theories or measurement devices in administration. Historical development includes traces of certain offices and traditions emerging through selected time frames. Critiques encompass a variety of topics all of which represent critical analyses or examinations of the merits of such bodies as the Administrative Reforms Commission and its reports, or evaluations of the comparative worth of personnel training, attitudes or promotional trends, and evaluation of past planning procedures or guidelines. Critiques also include comparative analyses of the merits of selected aspects of the Indian and foreign administrative systems, or may be about government control of enterprises. Case studies are articles focussing on a problem in a particular administrative context in specified geographic areas. Very few articles should occur in this category as the Institute has a particular educational programme utilizing Case Study as a training method, and case studies normally find

their outlet in that forum and not in *IJPA*. Testimonials in this study reflect tributes paid to respected individuals in the Indian public administration horizon upon their demise. Recruitment includes discussions of methods of recruitment and criticism of Civil Service recruitment policy as well as discussions of ideas for the retention of outstanding Civil Servants.

The category, human resources, includes discussions of desirable personality types for the Civil Services, of individual morals, motivation, training, ingenuity and innovative ability, *i.e.*, human characteristics and traits. Non-human resources includes scientifically harnessed natural resources, *e.g.*, electric power and water. The human and non-human resource category includes discussions relating human characteristics through management to non-human resources. These three categories presented some difficulty in actual classification. As a result, the placement of certain articles in any one of the three categories may represent a classification of the author's main thrust rather than what may be his overall concern.

Some authors appear to have addressed themselves to administrative structures and its staffing, from the Union Government level to local governmental structures to interstructural relationships between parallel structures of control. Others have focussed on administrative policy in context of its formulation, or changes. Several articles suggested that policy changes should be made at all governing levels, as well as in Parliament. Administrative technology covers the application of the theoretical management and measurement tools to the administrator's work. Utilizing Programme Evaluation and Review Technique (PERT) in administration is one example in this category. Finally, a few authors have discussed policy, structures and technology in the same article giving equal emphasis to either policy and technology or policy and structure associations. Year-wise application of this classification scheme for the decade is shown in following tables; Table 11 is the array for the regular issues, and Table 12 is the array for the Special Numbers. The total number of contributions for the decade is 439. This number when compared to the 447 contributors reflects the co-authorship of eight articles mentioned earlier. In the regular issues, there appears to be an almost constant number of articles per year except for years 1965 and 1966, when the yearly contribution increased by a third. Hence, the average number of articles per regular issue is estimated at 7.5. The number of contributions per Special Number varies considerably from 15 to 32 articles per issue.

In both the regular issues and Special Numbers, there is a significant number of articles classified as critiques. In the regular issues,

Table 11

Year-wise Classification of Subject Matter in Regular Issues of *IJPA*, 1961-1970

Year	Administrative Theory	Historical Development	Critique	Case Study	Testimonial	Recruitment	Resources: Human	Resources: Non-Human	Resources: Human Non-Human	Administration: Policy/Technology	Administration: Structure	Administration: Policy	Administration: Technology	Other	Total
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	
1961	2	—	5	—	—	—	5	1	—	2	1	4	1	—	21
1962	2	—	5	2	—	1	3	2	—	3	1	2	1	—	22
1963	3	1	6	2	1	1	1	—	1	1	2	1	1	—	21
1964	6	—	12	—	3	—	4	—	—	1	1	2	—	—	29
1965	6	—	9	—	—	2	1	—	—	2	—	2	2	—	27
1966	4	—	11	1	—	1	1	—	—	—	—	1	1	—	20
1967	3	1	10	—	—	—	1	1	—	2	1	1	1	—	21
1968	2	2	5	1	1	—	5	1	—	—	3	—	2	1	23
1969	2	—	9	—	—	—	6	—	—	1	—	1	1	1	21
1970	4	1	4	1	—	1	3	—	—	1	4	—	1	—	20
Total	34	5	76	10	5	6	30	5	1	13	13	14	11	2	225

χ^2=[illegible] on 81 d.f.; p=0.4358

Table 12

Year-wise Classification of Subject Matter in Special Numbers of *IJPA*, 1961-1970

Year	Administrative Theory	Historical Development	Critique	Case Study	Testimonial	Recruitment	Resources: Human	Resources: Non-Human	Resources: Human/ Non-Human	Administration: Policy/ Technology	Administration: Structure	Administration: Policy	Administration: Technology	Administration: Policy/ Structure	Total
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	
1961	—	—	5	—	—	—	2	—	2	1	2	3	—	1	16
1962	3	—	2	1	—	—	3	1	—	4	1	5	—	1	21
1963	—	2	10	—	—	1	—	—	—	—	1	1	—	1	16
1964	1	—	1	—	—	—	3	3	3	1	—	—	2	—	14
1965	—	1	17	—	—	—	1	—	—	—	—	2	—	—	21
1966	1	—	15	—	—	1	3	—	1	1	2	2	4	—	30
1967	1	1	7	1	—	—	1	1	—	4	—	2	4	1	23
1968	—	—	7	1	—	—	1	—	2	2	2	7	1	3	26
1969	2	—	16	—	1	1	3	—	—	—	1	7	1	—	32
1970	—	—	2	—	—	—	1	—	2	2	5	3	—	—	15
Total	8	4	82	3	1	3	18	5	10	15	14	32	12	7	214

$\chi^2 = 162.982$ on 81 d.f.; $p = .0001$

33.8 per cent of all contributions are critiques while 38.8 per cent of the Special Number contributions are critiques. In both cases, this reflects the largest population group in any single category. This indicates a preference of authors to write critiques and of the editorial board to accept them. In the regular issues, the number of critiques in the first half and latter half of the decade remained almost constant, while in the Special Numbers the number of critiques increased by almost a third. There appears to be more concern in the Special Numbers for administrative policy and policy related topics than in the same grouping in the regular issues. After combining columns *J*, *L*, and *N* of Table 12 we note that 25.3 per cent of the articles of the Special Numbers reflect an emphasis on administrative policy while only 12.0 per cent of the articles of the regular issues, columns *J* and *L* combined, of Table 11, reflect that emphasis on policy. In the regular issues, there has been a decline in the number of administrative policy related articles, while in the Special Numbers there has been a significant increase in the number of policy related articles. It should be noted that articles concerned with administrative structures have also increased in the latter half of the decade for both regular and Special issues. Both types of issues appear to be equally concerned with resources. This is reflected in columns *G*, *H* and *I* in Tables 11 and 12. This grouping in Table 11 shows that 16 per cent of the articles contributed were discussions of resources. Table 12 reflects 15.4 per cent of the articles in the Special Numbers as being resource discussions. But in those articles discussing resources, there has emerged an overall preference to discuss and publish articles on the human aspects of resources. Articles discussing administrative theory are more prevalent in the regular issues than in the Special Numbers, although interest in this particular topic has diminished slightly in the latter half of the decade in both types of issues. Column *A* of Table 11 shows that 15.1 per cent of the articles in the regular issues are discussions of theory while only 3.7 per cent of the articles in the Special Numbers, column *A* of Table 12, are oriented towards theory

In an overview, it looks as if the specific concern in Indian public administration, as reflected in the Special Numbers, appears to be for administrative policy, columns *J*, *L*, and *N*. However, the primary concern is a general concern for government in all its facets as reflected through the critiques, notwithstanding the titles of those issues. Third in rank of importance appears to be concern for human and human related resources. The regular issues, like the Special Numbers, primarily contain the general concern for various facets of government expressed through critiques. The primary specific concern of the regular issues appears to be for human resources followed by

discussions of administrative theory. Next, there is an emerging trend of articles concerned with administrative structures and administration technology, as shown in columns *K* and *M*. This latter trend is even more pronounced in the Special Numbers.

The regular issues appear to have a better balance in the number of articles distributed throughout the subject classification scheme than the Special Numbers. This imbalance of articles detected in the Special Numbers may be a result of having such large practitioner type population group for contributors, a group that reflects both a large population employment in the Union Government level of administration and greater percentage of members in the older Civil Service—the ICS. Furthermore, the total number of contributions in the regular issues during the latter half of the decade declined by 12 per cent. This decline was reflected in decreases in administrative theory, administration policy-technology, and pure administration policy articles, vide columns *A*, *J*, and *L*, while slight increases in contributions were found in critiques, human resources and administration structures vide columns *C*, *G*, and *K*. As the total number of contributions decreased, so did the total number of contributors during the last half of the decade, by 7 6 per cent. The number of academicians and practitioners remained constant, but there was a decrease in the practitioner-academician and independent ranks. On the other hand, the Special Numbers have shown an increase in the number of contributors and contributions over the latter half of the decade. Authorship increased by 47 per cent and the number of contributions increased by 43 per cent. There were small increases in the academician, practitioner and independent ranks, but there was a large increase in the practitioner-academician rank. This increase in authorship was notably reflected in increases in the number critiques and articles discussing administration structure, policy and technology, see columns *C*, *K*, *L*, and *M*.

An interesting model for the regular and special issues emerges and is illustrated below:

	Regular	*Percentage*	*Special*	*Percentage*
Average number of articles per issue	7.5	—	21.4	—
Critiques per issue	2.5	33.8	8.2	38.3
Human resources oriented* per issue	1.0	13.8	2.7	12.6

*Includes human-non-human category.

	Regular	*Percentage*	*Special*	*Percentage*
Theory per issue	1.1	15.1	0.8	3.7
Administrative policy oriented* per issue	0.9	12.0	5.2	24.3
Administrative technology oriented† per issue	0.8	11.0	2.5	11.7
Administrative structure oriented‡ per issue	0.4	5.7	2.0	9.4
Assorted others per issue	0.65	8.8	0	0

CONCLUSION

Do the model articles of *IJPA* just developed above conform to the policy of *IJPA* and to the idea mentioned early in the paper of late Jawaharlal Nehru? Approximately thirteen per cent of each issue published contains discussions of human resources. Larger and smaller percentages of published material in every issue discuss other topics. Hence measurable, specific discussions of human resources occur only in moderate amounts, just enough to suggest that the topic is not ignored. But this is not the whole picture of human beings and welfare problems. Only by indirect association can the reader consider that *IJPA* has primarily focussed on public administration in a human context. If resolution of policies, structures and techniques in the long run really benefit human beings then *IJPA* is following the guidance of Nehru. This has not been measurable in *IJPA*. In another instance, Nehru, as a leading figure in Indian public administration, asked his professional associates to use the phrase "decentralized democracy" to describe what he was attempting to achieve in India. However, *IJPA* contributors, and this refers to IIPA members as well, have consistently used the phrase "democratic decentralization" to describe the approach used in the Government. To emphasize this point, "democratic decentralization" has been used by contributors almost exclusively in *IJPA*. These observations suggest that the emergent view of thought in *IJPA* has not been dominated by this one individual.

The abundance of academically affiliated contributors suggests that *IJPA* is not controlled by the Central Government. However,

*Includes columns *J*, *L* and *N*.
†Includes columns *J* and *M*.
‡Includes columns *K* and *N*.

the number of practitioner contributors associated with the Union Government level of administration suggests that the trend of thought of *IJPA* is dominated by a Union Government level approach to public administration, and that approach seems to be a discussion of problems encountered in one's environment. Critiques do not represent new experiments in the field of public administration. They do represent direct observation and experience. But they do not offer solutions except in a few articles. The abundance of critiques in the Special Numbers should be reduced to make the overall contribution of the Special Numbers more balanced. The regular issues appear to promote the study of public administration in the direction suggested by the original editor, except that more professional contributions should come from state, local and public/private enterprise administrators. This change of direction in contributors would remove the quantitatively evolved suggestion that *IJPA* is the journalistic organ of those administrators employed at the Union Government level.

(This article is based on conclusions of a valuable and interesting study that the author did of the contribution of the IJPA to the study of Public Administration during the decade 1961-1970 for a Master of Arts degree in South Asian Studies at the Claremont Graduate School, California, U. S. A.

Some of the limitations discovered by the author were also independently noticed and remedial action, initiated. The Institute publishes, for nearly two years now, another quarterly journal—NAGARLOK—devoted exclusively to municipal affairs. Urban local government is thus receiving special attention. Some thought has been given to the kind of themes of the special numbers as also composition of contributors to these. Practitioners working at the State level in India are being specially invited to contribute to the Journal. Administration of law and order and police administration, as the readers may have noticed, have recently received some attention through the pages of the IJPA.

We again request to our readers and experts in the various areas of administration to help us with their contributions so that the areas and problems hitherto unexplored or inadequately attended to, are better covered. We welcome such instructive reviews and analysis. —Ed.)

RECENT ISSUES IN WATER RESOURCES ADMINISTRATION IN INDIA*

K. L. Rao

WATER Resources in India vary from region to region. There are tracts where rainfall is heavy. The highest rainfall in the world (the maximum ever recorded 1,042† inches) occurs in Assam. In some areas, there is scarcity of rainfall— less than 5 inches. The average rainfall is about 45 inches. Also, there are two distinct monsoons—one is the southwestern starting from the southernmost point in Kerala in May and sweeping across the entire country during June to September, and the other, the northeastern occurring in October to March. The rainfall is much smaller and is confined to Kerala, Tamil Nadu and to a few showers in the Northern States of Punjab, U.P. and Bihar. Also, due to deep deposit of alluvium in Gangetic Basin and some coastal regions, and fault zones in river basins like that of Narmada, there are large areas where water is stored underground and can be exploited. Thick clouds floating over India during monsoon months have possibilities of extraction of water from clouds at required locations at a future date when rain making technology is fully developed. Desalination may yield some small quantities of fresh water for domestic use. Thus, water resources in India are principally from surface runoff and the ground water.

Quantitative estimates of different sources of water are based mostly on reasonable assumptions. Measurements are being done now and it will take some time before these can be used for an accurate assessment of water. Assuming 45 inches rainfall per year spread over the entire area of the country (850 million acres), the total runoff comes to 3,000 million acre ft.‡ Allowing for a third of this quantity for losses due to evaporation, water falling on the ground will be 2,000 million acre ft., out of this, the surface runoff is 1,350 million acre ft. and the rest soaks into the ground. Of the water that goes into the ground, two-thirds is partly retained as moisture in the soil and partly lost due to

*It was contributed to the United Nations' Inter-regional Seminar on "Current Issues of Water Resources Administration" held in New Delhi on December [illegible], 1971.

†1 inch=2.54 centimetres.

‡1 million acre feet=1,233.5 million cubic metres.

›transpiration and sub-surface flow. The water that seeps down rous strata and represents the annual reserve works out to 217 n acre ft. or say 220 million acre ft.

The surface runoff in India is estimated at 1,350 million ft. ıational comparisons indicate that India's surface flows are more favourable. Similarly, ground water resources may be consi- quite good. Some of the wells in the Gangetic Basin, apart from ental ones in Rajasthan deserts, yield 150,000 gallons an hour (*i.e.* cusecs). One can, therefore, conclude, in a broadway, that has adequate water for exploitation, but this requires skilful gement to achieve maximum benefits and to conserve for the needs ıwing population.

EXPLOITATION

The waters in India are used mainly for irrigation. This is by quence of its tropical climate and food and fibre requirements of llions of people. India's population stands today at 550 million his may go up to 900 million by the end of this century. Agri- e is practised on 400 million acres and about a fourth of it is irri- . Of this irrigated area, 27 per cent is served by ground water he rest by surface flows. We may assume that the portion lia below the Tropic of Cancer, *i.e.* 23½° to 20° is Central India tates of Gujarat and Madhya Pradesh) and below it is Southern ninsular India. Areas cultivated and irrigated from ground surface water resources in these regions are shown in the ving Table.

Table I

Areas Cultivated and Irrigated in the Three Regions of India (in Million Acres)

ions	*Area Cultivated*	*Area Irrigated*		
		Surface	*Underground*	*Total*
h	181	41	17	58
ral	74	5	3	8
h	145	27	7	34
Total:	400	73	27	100

Surface irrigation is obtained through: (*i*) construction of small tanks; (*ii*) diversion barrages; and (*iii*) storages. It is roughly estimated that the extent of land irrigated by small tanks is about 15 million acres and the rest is from barrages and storages. Besides these, in areas where there is inadequate rainfall, contour bunding is also adopted to retain whatever rainfall occurs in the local areas.

Ground water is exploited through: (*i*) shallow wells generally up to 50 ft. depth; (*ii*) medium wells up to 300 ft.; and (*iii*) deep wells up to 1,000 ft. In Tamil Nadu, at the southern tip of India, appreciable irrigation is done through wells, mostly shallow. Thus, 2.3 million acres are irrigated by this source. In Uttar Pradesh, in Gangetic Basin, 9 million acres are provided with deep tubewell waters.

WATER RESOURCES ADMINISTRATION : IRRIGATION

Water resources are managed in different ways in India. India is divided into 18 States and Development of irrigation in India is reserved for its 18 States, that is, States are responsible for the development of irrigation in their respective States. The Central Government deals with inter-State rivers and in general assists, examines and finances irrigation projects sent by the States. The Ministry of Irrigation and Power, of which Central Water and Power Commission forms the technical part, coordinates and handles development of irrigation and power of the entire country. In many States, there are separate departments under Ministers for Irrigation.

Ground water exploitation by shallow wells is generally in the hands of individual farmers. State Governments provide finances in the shape of loans for digging of wells. There are at present seven million wells in the country. There is a great demand for electrification of the wells as the farmers have found that it is more economical to pump the water by using electric motors than use of animal power as has been the practice. Electrification is done through the State Government agencies known as State Electricity Boards. Deep and medium tubewells, which number 30,000, are generally constructed and managed by State Governments. At the Centre, there is an Exploratory Tubewells Organization. It digs deep tubewells and if the yields are more than about 18,000 gallons an hour, the wells are handed over to the State governments for exploitation. Recently, in order to expedite ground water exploitation, a Central Ground Water Board has been set up. This works under the Ministry of Agriculture. The Agriculture Ministry, as the name indicates, deals essentially with the growth of agriculture and the food problems of the country. These subjects

are again State subjects and in the States are dealt with by the Departments of Food & Agriculture. They deal directly with farmers. Thus, in India, which is a federal country, there is a harmonious blending of functions of both State and Central Governments in the field of agricultural production and in the most important and basic input, that is, water management.

At the Centre, irrigation activity is divided into two categories: (*i*) major and medium; and (*ii*) minor. Major and medium projects are those which cost more than Rs. 25 lakh each. Minor projects are those which cost Rs. 25 lakhs or less each. Ground water is also classified as coming under minor irrigation. Major and medium projects are financed by both Government and private organizations. Thus, the amounts invested since Independence and proposed outlay in the Fourth Plan (1969-74) in the irrigation sectors are shown in Table 2.

Table 2

Amount Invested (in Rs. Crores) since Independence Including Outlay in Fourth Plan on Irrigation Projects and Achievements Made and Targetted (in Million Acres)

	Major and Medium Projects	*Minor Projects* Government	*Minor Projects* Private	*Total outlay*
	(Rupees in crores)			
1951-1969	1,772	851	632	3,255
1969-1974	954	511	975	2,440
			Total:	5,695

Achievements in million acres during 1951-69	22	—	15	—	37
During 1969-74	12	—	8	—	20
				Total:	57

The Ministry of Irrigation deals with major and medium irrigation while the Ministry of Agriculture deals with minor irrigation.

In the States, major and medium irrigation is under irrigation department. There are different practices with regard to minor irrigation. These are given in Table 3 at pages 175-77.

Thus, we see that in most of the States, even minor irrigation is managed by irrigation department.

There has been a considerable debate whether irrigation must go with agriculture or should be under a separate Ministry at the Centre. The Administrative Reforms Commission (1968), appointed by the Government of India to suggest necessary changes in the machinery of the Government of India and its procedures of work, has opined that groundwater management must rest with Ministry of Irrigation. Their relevant remarks are given below:

> "While supporting the existing allocation of major and medium irrigation as a subject to the Ministry of Irrigation and Power and of minor irrigation to the Department of Agriculture, the Study Team has underlined the need for integrated attention being paid to problems like ground water survey, water management and maximum utilisation of irrigation potential. It has, in this connection, suggested the creation of a Water Management Division in the Ministry of Irrigation and Power, to be staffed both by agricultural scientists and irrigation engineers. These proposals merit attention and have our support. The Study Team on Agricultural Administration has also taken up a similar approach. It has recommended that the Ministry of Irrigation and Power (and not the Natural Resources Division of the Planning Commission) should be the coordinating body for all work concerning investigation for underground water resources. The exploratory tubewell organisation may be transferred from the Department of Agriculture to the Ministry of Irrigation and Power."*

In several countries, irrigation is also combined with agriculture, the moot point being that irrigation is not an end in itself but is an input for agricultural production and, therefore, it should be managed by the Agriculture Ministry. There is considerable force in this point of view but it is to be noted that achievement of irrigation is essentially an engineering problem and it is, therefore, desirable to have a separate Ministry. This is not necessary where irrigation is not required or where irrigated areas are small. But in India, irrigation is the prime

*Administrative Reforms Commission, *Report of the Machinery of the Government of India and its Procedures of Work*, Delhi, Manager of Publications, Government of India, 1968, p. [illegible].

Table 3

Administrative Arrangements at State Level Pertaining to Minor Irrigation Works

State	Departments dealing with Minor Irrigation			
	Irrigation or Public Works Department	*Revenue Department*	*Agriculture Department*	*Others*
Andhra Pradesh	All works irrigating more than 200 acres each in Andhra area and 100 acres each in Telengana area	Works irrigating less than 200 acres each in Andhra area and 100 acres each in Telengana areas	—	—
Assam	All Minor irrigation except tubewells	—	Tubewells	—
Bihar	Some of the works	—	Some of the works.	Directorate of Minor Irrigation also deals with some works
Gujarat	All works irrigating more than 250 acres each	Works irrigating less than 250 acres each	—	—
Himachal Pradesh	All works	—	—	—

(*Contd.*)

Table 3—Contd.

State	Departments dealing with Minor Irrigation			
	Irrigation or Public Works Department	Revenue Department	Agriculture Deparment	Others
Haryana	Tubewells and other minor irrigation works	—	Loans for well sinking and pumping sets	—
Jammu & Kashmir	—	—	—	Panchayats
Kerala	All works dealing with 5 acres and above in old Travancore area and 200 acres in old Madras area	—	—	Panchayats and beneficiaries
Maharashtra	All works irrigating more than 250 acres each	—	—	Zila Parishads for works irrigating less than 250 acres each

Mysore	—	All minor irrgation works	—	—
Orissa	—	Other minor irrigation works	Lift irrigation and tubewells	
Rajasthan	All works irrigating more than 250 acres each	Part of works irrigating less than 250 acres each	—	Panchaya: Samitees for part of works irrigating less than 250 acres each
Tamil Nadu	All works irrigating more than 200 acres each	All works irrigating less than 200 acres each	—	—
Uttar Pradesh	Tubewells	—	—	Other minor irrigation works under Agricultural Production Commission
West Bengal	All works costing more than Rs. 1 lakh each	—	All works costing less than Rs. 1 lakh each	—

need and makes all the difference in the prosperity of the people. Scientific analysis has indicated that the most backward areas in India are those where *rice is grown without irrigation*. This is an important and interesting observation. Rice is grown where there is a possibility of good rainfall and, therefore, the density of population is great in these areas. But when irrigation is not provided, agriculture becomes gamble and in many years the yield is either nil or entirely poor. Therefore, poverty reigns. This is the reason why eastern U.P., northern Bihar and portions of coastal Orissa and Kerala are considered in India as the most backward areas. In India, as stated already, irrigation is provided only for 25 per cent of the cultivated land and we have to bring it up to 50 per cent at least, that is, the irrigated area to be further developed is 100 million acres. This is a tremendous task. It will require all the ingenuity of engineers to achieve this, specially as the diversion schemes and easy storage sites are all already exploited.

There should be integrated planning between surface waters and ground waters. Maybe these have to be developed together or sometimes separately. Also, tubewell sinking requires machinery and electrification, which have predominantly engineering content. Again the problems of recharging the ground to replenish groundwater supplies and extending the life of tubewells, which, at present, is only 15 years, requires extensive probing and field research in well established hydraulic laboratories. Irrigation in its entirety has to work closely with Agriculture and for this, a close coordinating link will be beneficial.

WATER RESOURCES ADMINISTRATION : OTHER USES

The total utilization of water for irrigation is estimated at 250 million acre ft. There are no accurate figures for other uses of water, but estimates are:

	Million Acre ft.
Drinking water	10
Industries	2
Power stations	6
Total:	18 or say 20

Thus, the total water used at present is 270 million acre ft. By far, the largest use is in irrigation and the industries involve the lowest

use. The exact quantity of usable water has not yet been assessed. This is assumed as between 800 and 900 million acre ft. Thus, the water utilized in India at present is a third of the available water.

Administrative arrangements for utilizing irrigation waters have been dealt with earlier in the article. The arrangement in regard to other uses are as discussed in following paragraphs.

Drinking Water Supply

The problem of supply of drinking water is important in all parts of the world but in India it assumes special significance because of its vast rural population flung apart in isolated villages numbering more than 560,000. Of these, nearly 38 per cent are villages with less than 500 people. Most of the villages depend on wells. In nearly two-thirds of the villages, wells are either inadequate, or they fail just at the time of the greatest need, *i.e.* in summer. Also, some times wells do not yield potable water. Sanitary arrangements are very unsatisfactory in many urban areas. In the field of supply of potable water and arrangements for sewerage disposal, India has to go a long way. Water supply is dealt with by most of the States in their Departments of Public Health Engineering or Local Self Government. In the Centre, the subject is dealt with by the Ministry of Health.

Water Supply for Industries

There is no systematic channelling of water supplies for industrial uses. The requirements are arranged from time to time in the Departments of Irrigation or in the Departments of Public Health Engineering at the State level. At the Centre, the problems are dealt with in the Ministry of Industrial Development who, however, invariably consult the Ministry of Irrigation for supplies. Research on reuse of industrial waters must be encouraged in the interest of economy of water.

The pollution of rivers in India is due to two reasons. The first reason is the letting down of untreated sewage from towns and cities. The second and more serious is the pollution created by industries. The disposal of effluents from the industries are at present controlled by the respective Ministries. The effluents are either not treated at all or are not treated properly. These require urgent attention. The Ministry of Health is bringing up a bill to regulate pollution.

In order to provide for the prevention, abatement and control of pollution of rivers and streams, for maintaining or restoring wholesomeness of such water courses and for controlling the existing and new

discharges of domestic and industrial waters, the Bill seeks to: (*i*) establish at the Centre as well as in the States water pollution prevention boards with the necessary complement of technical and administrative staff and to confer on them such powers as are necessary to deal effectively with the problem of water pollution in the country; (*ii*) provide penalties for contravention of the provisions of the Act; and (*iii*) establish Central and State Water testing laboratories to enable the boards to assess the extent of pollution, lay down standards and establish guilt or default. On the whole, it should be accepted that industrial waters have not yet received an integrated consideration either for initial supply or later disposal.

Water Use in Thermal Stations

For cooling purposes, large quantities of water are required in thermal stations. In coal or oil fired type of generation, the requirements of water are about 125 cusecs for 100 Mw. If cooling towers or mechanical cooling is provided, the requirements will be reduced to 12.5 cusecs for 100 Mw. In the atomic power plants, the consumption is about 50 per cent more. We have in India, at present, a total of 10 million Kw of thermal plant and the total requirement of water is about 9 million acre feet assuming straight cooling. Actually a number of stations use cooling towers and the actual use may be about 6 million acre feet. Water requirements for thermal stations are arranged by the Ministry of Irrigation & Power.

NEW PROBLEMS IN WATER ADMINISTRATION

Conflicts between Uses, States and Countries

As water uses are getting diversified and with the growing realization that water is a valuable and scarce commodity, new problems are arising in management.

In some cases, water is required to be released from storages purely in the interests of power that is being generated under a dam. Sometimes, irrigation demands require release of water in excess of requirements of power. Thus, at the Bhakra reservoir, there is often a conflict between water requirements for irrigation and power, specially in years of scarcity of inflow into the reservoir. This conflicts is at present settled on an *ad hoc* basis and keeping in view the relative benefits between the different sectors.

Similarly, conflicts arise in the sharing of water between different States. In India, most of the rivers are inter-State, flowing through

more than one State. The existing law provides that the conflicts may be resolved by negotiations and only in cases where the Central Government feels that the dispute cannot be settled by negotiations, Tribunals consisting of three Judges may be appointed. It is generally accepted that settlement by negotiations is the best way of resolving a water dispute as these disputes give rise to emotional approach and the best way of effacing the emotions is by agreement on vital issues. No other method will remove the ill-feelings. In India, most of the differences with regard to use of water of different States are settled through discussions and negotiations.

In recent years, some water disputes have been referred for adjudication. There are at present three Tribunals before which the sharing of waters of inter-State rivers is being argued. These Tribunals were set up more than two years back and are likely to take considerable time before making their judicial pronouncements.

River Damodar was creating a large amount of damage in its valley, which is very rich in minerals, like coal and iron ore. Also, its waters were required for use for irrigating lands. The river passes through two States, Bihar and West Bengal. To achieve the maximum benefits, the management of the Damodar water was entrusted to a specially created statutory body called, the "Damodar Valley Corporation". This Corporation is similar to the Tennessee Valley Authority of U.S.A. The DVC has been responsible for construction of four dams, canal system for irrigating a million acres and development of power, both hydro and thermal, with an installed capacity of a million Kw. Yet another device which proved successful in the implementation of very large projects benefiting more than one State is management by a Control Board. Thus, in Chambal development, which consists of 3 dams, a canal system irrigating 1.5 million acres and a power system of 386 Mw is under the Chambal Control Board. The Board consists of Ministers of Madhya Pradesh and Rajasthan with Central Minister as Chairman. This kind of management is largely used for big irrigation projects.

India is also involved in settling the water disputes of rivers which flow through India and Pakistan. Both these countries were one till 1947 and, therefore, the river systems, Indus and Ganga, were being developed as a single unit. After the partition of the country, disputes arose and a settlement with regard to the Western rivers, *i.e.* the Indus and its tributaries, was achieved through negotiations with the assistance of the World Bank. Attempts have been made to settle the dispute relating to Ganga also by holding discussions between engineers of both

the countries. There are a large number of tributaries of the G[illegible] which flow through Nepal and India and [illegible] are s[illegible] amicably between both countries through mutual discussions from to time.

Management for Flood Control

Due to the large number of the rivers flowing in the country a[illegible] the highly variable rainfall, which intensifies in different parts of t[illegible] country at different times, floods occur almost every year in some pa[illegible] of India or the other. Added to this, the east coast of India is subje[illegible] to cyclones, every year and at times, these become violent and caus[illegible] immense damages to crops and houses, besides loss of cattle an[illegible] human lives. The damages are tending to act more and more as a drag on the economic progress of the country. Floods occur in June to September and cyclones either in April and May or in October and November. This year, for example, the damages due to floods which occurred between June and September, and amounted to 6,000 million rupees and the losses due to cyclone which occurred in October was 2,000 million rupees. Floods are dealt with by the Ministry of Irrigation and Power both at the Centre and State level. In case of emergencies, such as closing breaches or attending to relief works in remote areas, the help of the army is sought. The functions of prediction and keeping observations of rainfall are in the Department of Meteorology under the Ministry of Civil Aviation, but relief and rehabilitation is done at the State level by Departments of Irrigation and Revenue and at the Centre by the Ministry of Home Affairs.

It appears that systematic administrative arrangements both to fight the floods, such as defence against breaching and breach closing, and to render immediate relief should be in the hands of a coordinating body. This may be called the "Distress Mitigation Committee" or by any other suitable name. It is increasingly felt that for planning and [illegible] flood control works, specially for big river systems, separate commissions should be set up. Accordingly, for Brahmaputra, a Brahmaputra Flood Control Commission has been set up. The Commission consists of three Members with supporting investigation, design and construction staff. It is advised by a technical advisory committee. Sanction of estimates and policy decisions are made by the Brahmaputra Flood Control Board, which has, among its Members, Ministers of the States and Central Gov[illegible]. A similar [illegible] is being considered for flood control in the Ganga River System.

Transfers of Water and Its Management

There are always areas of scarcity and areas of surplus waters. Transfer of water from one to the other is receiving great attention of the present times. There are good examples in India where for irrigation, water was diverted from one basin to another. Thus, towards the end of the last century, waters from west-flowing Periyar river were diverted to the east, to feed the parched lands of Madurai District in Tamil Nadu. This has transformed the scarcity areas into flourishing and prosperous areas. Similarly, there are quite a number of other examples where water is conveyed to scarcity areas to relieve the inadequacy of water. A more comprehensive and much bolder scheme is now under contemplation. A portion of the surplus monsoon waters of the Ganga, which flows wastefully into the sea, are proposed to be lifted up and diverted for use in western and peninsular India, where waters in the rivers are inadequate to deal with the extensive areas under crops. When this scheme comes up for detailed investigation, planning and implementation, it will require a new administrative set-up.

Financial and Target Coordination

In India, the planning process is vested in the Planning Commission of which Prime Minister is the Chairman and the Finance Minister a Member. The goals of economic development and national budgeting are thus coordinated. The allotment of funds required for implementing the projects for different uses of water are all done by the Planning Commission. There is a separate Minister for Planning who is able to devote his entire time to periodical review of the implementation of the projects to ensure achievement of targets.

Water Resources Administration in Future

The present water resources administration has been dealt with in the preceding three sections. The problems met with and the need for changes have also been given briefly. The most difficult future problem for the human race is going to be that of supply of quantum of water needed by the population. At the rate of 500 tons per person, the quantity of water that will be needed by the additional people will appear on the earth in the next ten years will be of the order of 45 million acre ft. or approximately the entire water of a river like Krishna. Water is a fixed quantity of earth. It is, therefore, of the greatest importance that water resource management must be most efficiently organized.

As stated earlier, most of water uses, that is more than 90 per cent, are in respect of irrigation. Also in India, drinking water and water

required for industries have to be arranged from rivers, canals or wel all of which are dealt with by Irrigation Departments of the States. is, therefore, considered desirable to entrust the Ministry of Irrigati and Power at the Centre with arrangement of supplies of water for dil rent uses and rename it as "Ministry of Water Resources" or simply "Ministry of Water". In view of adequate availability of water India, there should be no extensive conflict between the different u except in a few isolated areas. The more difficult is the settlement water disputes between the States. The control of inter-St rivers may need to be taken over to a large degree by the Cent Government. A national water policy must be set out to ens the use of water efficiently and with equity. The national water pol must also be flexible as priorities may have to be altered at intervals time. A national water grid may also be built up if the Governm at the Centre is invested with proper authority. National Water Gr are most essential for achieving the best uses of available waters. Li Electrical Grids, water may be sent to any part of the country to ov come the shortages due to seasonal variations. The Grids can equal the water costs and thus it will help in the country's wide econo development. The national policy must, therefore, enunciate the velopment of water grids. Thus, the national water policy must down guidelines, organizational principles and fundamental procedu for management and utilization of waters. To formulate the natio policy and watch its implementation, a high level National Water sources Council will be necessary.

To implement the water projects, a Ministry of Water will necessary. The function of the Ministry of Water will be to plan a ensure implementation of water supply projects. The actual use a manner of use will be left to the respective Ministries and Departme Thus, utilization of irrigation waters would be with the Department Agriculture; Municipal and Rural Water Supply use would be with Department of Local Administration or Public Health; and industr waters with the Department of Industry.

For the present, the "Ministry of Water" can look after power al Power is expected to grow rapidly in the next ten years (*i.e.* to rise fr 17 million kW to 51 million kW). At such a stage, the management electric supply will require a separate Ministry for Power and present Ministry of Irrigation and Power can then become "Ministry Water". It is very important that the personnel, both technical administrative, of water management organizations should be up date with latest knowledge on the subject. This is the only way ensure economic development. In India, there is one unique organi tion called Central Board of Irrigation and Power. Members of

Board are all Chief Engineers engaged in the irrigation and power development and Professors. The Board, formed 44 years ago, has been rendering valuable service. Besides this, refresher courses must be organized at all levels to improve efficiency and administrative drive.

Irrigation development in India in the past and in the last two decades has been most imposing and is the largest in the world. The management which has made this possible, can be expected to tackle the tasks in future as well with the modifications suggested. The management of industrial and domestic water supply will need more attention in future as increased industrial activity is necessary to eliminate poverty and unemployment in the country.

HUMAN ENVIRONMENT IN INDIA

SOME SUGGESTIONS FOR AN ACTION PROGRAMME*

B. B. Vohra

IT is curious that the growing pre-occupation of the West with environmental and ecological matters is as yet unmatched by a similar interest in our own country. It is not as if we have no such problems to worry about. It is simply that we, as a people, are neither adequately aware of these nor sufficiently bothered about these. It is perhaps easy to understand why this is so. We have a long tradition of keeping our gaze turned inwards and of pre-occupation with personal rather than social problems. We have also inherited a tendency to accept the things around us as if they were preordained. How else can one explain our quiescent acceptance of the indescribably squalid living conditions that characterise large parts of all our cities and villages and our apathetic tolerance of the filth which litters the banks of even the holiest of our rivers? And, if this is the situation with regard to a simple matter like sanitation, what hope is there that we can take a sustained interest in our less immediate ecological environment which raises no immediate stink but will nevertheless determine the future of our children and of our children's children?

All the more reason that the spotlight should be turned on these subjects and every effort made to educate and interest the public in a matter which concerns them deeply. For one must live in the hope that one of these days we shall outgrow our chronic indifference to our surroundings and make this country fit to be lived in—by Indians at least, if not by heroes.

CIVIC ENVIRONMENT

Let us first consider our immediate physical environment—the state of our cities, towns and villages. An awesome amount of work awaits doing before even the minimum standards of hygiene and housing

---

*It was presented as a paper at the first meeting of the Indian Committee on Human Environment held in January, 1971.

can be achieved. Yet, even the primary responsibility of keeping our streets open spaces and gutters clean is not being carried out properly, not to speak of attention being paid to more sophisticated civic needs, like water supply and drainage, slum clearance, vertical instead of horizontal growth in cities so as to save further encroachment on precious agricultural lands, the segregation of industrial and commercial areas from residential areas and the elimination of speculation in urban and sub-urban lands through well-considered programmes of legal and positive controls. The pollution of air by smoke and exhaust fumes and of rivers by industrial effluents and sewage are other matters which continue to be neglected, as also the unregulated "ribbon development" which not only disfigures our highways but also makes these unfit for fast moving traffic.

What prospects are there that all these jobs will be tackled quickly and efficiently so that we may live with dignity and self-respect if not today, then at least at some foreseeable date and not remain condemned for ever to sub-human conditions of existence? Hardly any, if things are allowed to continue to drift as at present. The only hope lies in an enlightened Government assuming responsibility for a bold programme of civic improvement not only in a few urban centres but throughout the country so that the people are shaken out of their present lethargy and have something to look forward to. Assuming that such a situation will come about sooner or later, let us consider what administrative and organisational problems will have to be faced to achieve concrete results. For it is one thing to talk airily on objectives and quite another to achieve these.

The fact must be faced that the basic cause of the unsatisfactory state of our towns and villages is the poor quality of our local governments. Elected by people who have never known anything better than the dirt and filth they are surrounded with and are, therefore, undemanding in their attitudes, the local bosses who run our civic bodies are under no sort of pressure to perform well. It is no wonder that these elected but honorary posts have come to be looked upon as offices of profit in the literal sense of the word and as a means to political advancement rather than as an opportunity to serve fellow citizens. The result is there for all to see. There is mismanagement of precious financial resources, inefficiency, corruption, petty politics and intrigues instead of purposeful activity and dedicated work. It is, therefore, not surprising that under the care of such men gutters should remain choked and streets unswept. It is also not surprising that there should be a dramatic change for the better whenever a municipality is superseded and its work entrusted to a trained officer.

Although a machinery exists for the constant scrutiny of the performance of municipal bodies and for the enforcement on these of certain minimal standards of honesty and efficiency, recourse is had to it only as a last resort. This is so, partly because of the lack of an effective public opinion on such matters, and partly because even when examples of misdemeanours and mismanagement are brought to light, State Governments are generally reluctant to step in because this might damage their own local bases of power and influence. All this has created such an atmosphere of hopelessness and cynicism that people have begun to look upon inefficiency and corruption in municipal bodies almost as a part of the natural order of things.

Yet it is not difficult to put an end to this state of affairs, provided it is appreciated that local self-government is not an end in itself but only a means to the improvement of the civic environment. In this view of the matter, there should be absolutely no hesitation on the part of the State Governments to impose suitable curbs on the licence which local bodies today enjoy to mismanage the charges entrusted to them. One of the first things that needs to be done in this connection is to take away from local bodies their powers of control over their employees. This has been done in several States already with the provincialization of municipal cadres and it is time that other States also followed suit. A great deal of improvement will automatically result if municipal employees are not left to the mercy of local bosses and are enabled to work efficiently and honestly in the knowledge that their performance will be judged on merits by people competent to do so. Such a reform will no doubt reduce the status of municipal bodies from full-blooded executive authorities to anaemic advisory bodies. This will, however, be all to the good if the good we have at heart is the good of the man in the street and not of the ambitious politician.

The State Governments must, however, simultaneously take steps to strengthen their machinery for supervising the working of local bodies, including Panchayats (in their role as civic bodies). Adequately staffed Departments of Civic Affairs should be created and encouraged to adopt a positive approach towards their work. Thus, the emphasis should not be on locating where transgression of rules and regulations have taken place but on how local bodies can be assisted to render improved service to their citizens. Needless to say that such departments should be staffed by men who are experienced in municipal government and possess an intimate knowledge of its problems. However, such a department will be only as effective and useful as the technical advice and services which can be made available to support it. Specialized services in the field of roads, construction, and water supply

and drainage are already available in the States in the form of Public Works Departments (PWD) which are incharge of buildings and roads and public health engineering, etc. Advice on medical and educational subjects is also available from the corresponding departmets of Government. However, many States do not still possess adequate architectural organizations for the designing of Government buildings, not to speak of dealing with municipal problems. This is a gap which needs to be filled urgently by the creation of an adequately staffed department of architecture in each State. In places, where this discipline exists as part of the PWD, there is an obvious need to ensure that the Chief Architect is in a position to advise freely with regard to the design of buildings and their aesthetics.

Another specialization which needs to be provided for on an adequate scale, is town and country planning. The designing of town layouts, and the planning of urban reconstruction are matters which require the greatest care from many points of view and can be properly handled only by trained specialists. A great deal of infructuous expenditure on unplanned growth, which it is difficult to rectify at a later stage, can be avoided if new growth centres in the country—side are taken in hand at an early enough stage. Regional studies are required to be undertaken to determine the extent to which the size of existing towns should be restricted and what new urban centres should be developed in the interior. In a situation where agriculture and industry are beginning to develop with some speed, it would be wise as well as economical to take up these activities in right earnest. One has only to look at the numberless new mandi towns, which are springing up all over the country in a haphazard and unplanned way, and the factories, which line our highways, to realize that a little prevention will be better than a great deal of cure later on. An adequate Town and Country Planning Organization should, therefore, be set up in each State.

Town planning by regulation is, however, a difficult matter. Experience in our country shows that town planning succeeds best where it adopts a positive approach. Instead of laying down a large number of restrictions as to what should or should not be done, it is far better from every point of view for the authorities to step in and take positive (as distinguished from legal) steps to ensure that urban growth takes place along the right lines. This can be done quite easily by acquiring and developing suitable areas of land for various needs and selling sites to prospective builders at reasonable rates. If undertaken on an adequate scale, this is also the best way of keeping speculators under control and reserving for the community appreciations in land values. Even better results can be achieved if large scale construction

is also undertaken and buildings, complete in all respects, are sold to the public at attractive prices. This is so because economies of scale as well as good architectural designs will both contribute to reduce costs and finished buildings will save the buyer the bother associated with individual construction. However, a separate organization is needed to undertake such jobs and to ensure that these are carried out honestly and efficiently. Such a department can appropriately be called the Department of Urban Estates.

It is worth mentioning that full-fledged Departments of Architecture, Town and Country Planning, and Urban Estates were set up in the Punjab about ten years ago. All the three organizations have already proved their utility in full measure.

This brings us to the question of finances. Is the lack of finances such a hurdle to effective civic improvement as is sometimes believed? The answer is both yes and no. Yes, if things are allowed to drift as at present, if leakages are allowed to occur both in the collection of revenues and in expenditure, if city wastes are not properly treated and sold and, above all, if the appreciation in land values which continues to take place continuously is allowed to be appropriated by speculators instead of being reserved for the community. No, if none of these things is allowed to happen, if efficient and honest working is insisted upon and full use is made of organizations for developing and selling urban properties. In fact, a State-wide Department of Urban Estates, if properly run, can not only repay the initial loan which would have to be given to it by way of a revolving fund, but also produce profits which can be used for subsidising slum-clearance schemes.

Imaginative housing schemes aimed at bringing a house of one's own within the reach of all, but the poorest, are also to be welcomed on social considerations. A property-owning middle class, however small the property may be, is the backbone of any nation and a powerful factor for stability and progress. The feeling of security which comes from the ownership of one's home (even if it is a small apartment in a multi-storeyed building) would also help our women to get over their attraction for gold and silver and thus mobilize some of the very considerable savings which are laying unused today in [illegible] and [illegible]. Finally, the millions of jobs which would be created by a [illegible] programme and by the town planning, [illegible] and other activities that would go along with it, are something which the country badly needs today.

While the bulk of the responsibility for [illegible] the civil environment must, as has been shown above, [illegible] with the [illegible]

Governments, it will be necessary for the Central Government to provide the necessary leadership, coordination and guidance. This can best be done through a Central Department of Civic Affairs which can be easily created by separating the portfolio of public works from the existing Department of Works, Housing and Urban Development.

A bold programme for improvement of our civic environment would, thus appear to be within the bounds of possibility. All that is required is the will to improve matters and the organization to carry out this will. The challenge is worth taking up if for no other reason than that success in this venture will restore dignity and self-confidence to our people and bring about a basic change in their present apathetic and irresponsible attitudes. We have in fact no choice in the matter. For to let matters drift any more would be to invite disaster—the example of Calcutta shows that when physical surroundings deteriorate beyond a certain point, they result in the breakdown of the social order.

ECOLOGICAL ENVIRONMENT

Let us now turn to the much more complicated subject of our ecological environment which is a function not only of our natural resources of land and water but also the manner in which we use or misuse these. Since, in the ultimate analysis, it is these resources which constitute the real wealth of the country, it is easy to see why their proper management should be a matter of the utmost concern to all of us.

It would be useful to illustrate this point by considering situations of both good and bad soil and water management. Good management situations exist in some of our most productive agricultural areas which have been cultivated for centuries and have still not lost their fertility. Here, the lands are invariably level and, therefore, in no danger of losing their fertile top soil, *an inch of which it takes nature anything from 500 to 1,000 years to build*, by the erosive action of rain-water. If such lands are irrigated, it will be found that these are either provided with drainage or are naturally well drained on account of the lightness of the soil and, therefore, do not suffer from water-logging or salinity. The fertility of such lands is maintained either by cropping practices which do not exhaust the soil unduly or by the regular addition of manures and fertilizers. Such lands are also so situated that these do not suffer from the effects of wind erosion in hot dry months. All of which adds up to saying that the top soil of such lands is neither allowed to be displaced by erosion nor to lose its fertility by [illegible] practices.

Bad soil and water management situations may, on the other hand, be best observed in marginal or waste lands with little or no productivity. In the hilly areas, the genesis of the trouble usually lies in either the indiscriminate felling of trees or in the overgrazing of pasture lands. The resulting loss of vegetative cover exposes the top soil to the erosive action of rain drops and facilitates its being carried away by fast flowing water into the valleys below. Since there is nothing to impede the flow of rain water along the already denuded slopes, it has little time to percolate into the soil and recharge the ground water aquifers. This, in turn, causes the drying up of natural springs and the lowering of water levels in wells in the plains below. At the same time, the high run-off causes flash floods during times of heavy rainfall. Again, since eroded soils contribute to excessive sediment loads in streams and rivers, tanks and reservoirs get silted up prematurely. Thus, in those parts of the country which have traditionally depended upon tanks for the supply of irrigation water, the degradation of catchment areas has caused tremendous damage to agriculture. However, since such degradation has taken place over a period of decades and not suddenly, it has passed more or less unnoticed. Not only has the command areas of tanks shrunk as a result of the loss of their storage capacity but with the diminution of the recharge of ground water aquifiers, there has also been a failing of the wells below these tanks. The Rajasthan desert offers some of the most striking examples of the aridity which follows denudation.

The damage, which soil erosion has caused and continues to cause to our expensive multi-purpose river valley projects, is equally serious. The rate of siltation of our dams is many times higher than was expected at the time these were designed. If this process is not checked in time, the nation will not obtain the returns expected from these prestigious projects. However, what is perhaps an even more serious matter is the fact that in many cases there are no alternative sites for dams, which means that once the present reservoirs go out of use, the possibility of harnessing these rivers would have been lost for ever. The loss of hydro-electric potential which occurs as a result of the loss of storage potential is an equally serious matter. Apart from the effect that this will have on industrial and other uses of electricity, the loss to agriculture will be particularly serious because we depend to a large extent on hydro-electric power to run the pump-sets in our tubewells.

Soil erosion in the catchment areas of rivers also contributes [illegible] to a rise in their bed levels in the plains. This, in turn, results in the over-flowing of rivers during periods of heavy rain. The damage which is caused to our economy by floods year after year thus

into hundreds of crores, not to speak of the human misery that they leave in their wake. This is, however, not the end of story. The continuous degradation of eroded areas results in the impoverishment of the local people. They have necessarily to look farther afield for their sustenance. Thus, more forests get cut down, more pasture lands get invaded by grazing animals and more marginal lands are brought under improvident cultivation. A vicious circle is set up which can be broken only by the most determined of efforts.

Desert and semi-desert areas in the plains have a similar story to tell. The loss of vegetative cover in such areas as a result of indiscriminate over-grazing by migratory herds of camels, cattle, sheep and goats has exposed the top soil to erosion by strong winds which, due to the bleakness of the landscape, find no impediment in their path. It has also been found that most of such areas can be easily converted into fairly productive pasture lands if only they are completely closed to grazing for a season or two and thereafter are opened to controlled grazing. The ravines which lie along the banks of many of our rivers are also caused by the erosion of soil as a result of the felling of forests and over-grazing. Water logging and salinity are other examples of bad soil and water management and are due, in most of the cases, to lack of proper drainage in heavy irrigated soils.

It needs no special insight to appreciate the fact that we just cannot afford to neglect the loss of our soil and water resources which is taking place in the manner described above. While on the one hand, our total productive capacity is going down as a result of this loss, on the other hand our population continues to increase, thus placing even greater burdens on an already impoverished soil. At the same time, increasingly large sums of money have to be spent on the relief on sufferers from so-called natural calamities, like droughts and floods, although these calamities are very much man-made. The great emphasis which is being placed on the national family planning programme is certainly called for but it must be realized that even if we attain a zero growth rate, our troubles will not be over until and unless we succeed in conserving and building up our natural soil and water resources. Yet, this vitally important matter is still far from the consciousness of even the leaders of public opinion, let alone the general public, and finds almost no mention in an atmosphere dominated by sterile political controversies and day-to-day problems.

A massive programme of soil and water conservation must nevertheless be taken up immediately if we are to face the challenge of growing unemployment and poverty. Such a programme may run into

hundreds of crores a year and people who are blissfully unaware of our ecological situation, might well ask whether the country can afford such a heavy outlay. The answer to this lies in the counterquestion as to whether we can afford not to maintain the productivity of our soil whatever the immediate cost may be. Can we, in our already impoverished state, really afford to lose the vast quantities of top soil and water which are today flowing into the Bay of Bengal and the Arabian Sea day and night on account of our failure to manage our water sheds properly? Can we afford to continue to shorten the life of our river valley projects into which so much precious money and effort has been sunk? Again, can we afford to pay vast sums of money as relief grants to victims of floods and famines year after year? The truth is that *expenditure on a bold programme of the conservation of our soil and water resources can be justified even on strictly financial grounds*—it is a different matter that due to a general lack of attention to this subject no such attempt has been made so far. That the issue is not in doubt is, however, shown by the fact that individual farmers find it profitable to get their lands treated for soil conservation through loans which carry normal rates of interest.

Assuming that the will is there—and this is not a small assumption in India today—it should not be difficult to find the necessary finances for an imaginative programme either from our own resources or through a loan from an international agency, like the World Bank. The difficulty, which will, however, still remain, is our own unpreparedness to undertake a programme of adequate size. In the paragraphs which follow, an attempt has been made to assess what kind of administrative and organizational arrangements will need to be made before we would be in a position to meet the challenge of our ecological environment.

ADMINISTRATIVE AND ORGANIZATIONAL ARRANGEMENTS

The problem is really one of using the land to the limit of its capacity in any given situation but neither below nor beyond this limit. Placed as we are, we cannot afford to let any portion of our resources lie unutilized. At the same time, we must be careful not to resort to short-sighted methods which will permanently deplete the very resources on which we depend for our sustenance. However, it is easier to enunciate such an obvious principle than to implement it. This is particularly so because before we can even begin to talk of resource management at optimum levels, we must know exactly what these resources are. In other words, *resource assessment must precede resource* [illegible]. We must, therefore, ask the question as to whether we possess enough

knowledge of our soil and water resources to enable us to use these to the best possible advantage.

Here, it may be mentioned that the only possible strategy in a programme of proper resource management in our situation today will be to aim at the intensification of agriculture and animal husbandry in areas which have a high potential for production so that we may be able to relieve the intolerable pressure which our marginal areas are bearing. By getting more out of the land which is in a position to yield more (if properly handled), we will be able to give our exhausted marginal lands a long-needed respite and enable these to be restored to fertility. To illustrate, if cereals grown in irrigated areas in the plains are abundant enough, people in the hills will be tempted to switch over from agriculture to horticulture, which is much less damaging from the point of view of soil erosion. Similarly, if high protein foods, such as eggs, poultry, piggery products, fish and milk, can be produced in larger quantities in areas of intensive agriculture, there will be an automatic fall in the demand for mutton grown by grazing sheep and goats in the hills. With such a view, we shall have to give equal importance to the assessment of our resources in our good as well as in our marginal lands. However, if a choice has to be made between the two categories, priority shall have to be given to the more fertile areas in order to meet the needs of production in the short run. This point is of some importance because there is a general tendency even among conservationists to assume that our more productive areas are doing fairly well and, therefore, do not need any special attention. It is forgotten that if we are to improve our standard of living to any extent, it will be necessary to increase the productivity of even our good lands many times over, and that in order to do this, we shall have to pay special attention to the management of their soil and water resources.

For obvious reasons, the management of productive areas present much greater difficulties than the management of marginal areas. While all that is necessary in most of our marginal lands is to protect these from indiscriminate felling and grazing and to carry out fairly simple engineering works, like gully plugging, terracing and bunding, to heal scars and open wounds, our productive agricultural lands in the plains need far more sophisticated treatment. Attention shall have to be paid to measures, such as the lining of canals and distributaries to prevent seepage losses and water-logging, control over the application of irrigation water to ensure that no more water is applied to the land than is required by the crop, the proper levelling of fields and the provision of drainage wherever soils are heavy. At the same time, the soil has to be carefully analysed to find out what additional

nutrients (including micro-nutrients) should be supplied to it, and in what exact manner, in order to enable it to yield the maximum of which it is capable in the given conditions of climate, water availability and optimum cropping patterns. Are we today in a position to assist in such a programme? Again, wherever ground water is available, the extent to which it can be safely exploited has to be assessed and its development regulated accordingly through an appropriate legal machinery. Many other supporting measures have to be taken but enough has been said to illustrate that good soil and water management constitute the core of any programme of intensification of agriculture, and that without such management all talk of multiple cropping on a large scale is a little hollow.

Reverting to the question of resource assessment, we may consider it under two separate heads of soil and water. As far as water is concerned, data regarding precipitation is available in a fairly satisfactory degree with the Indian Meteorological Department. Whatever gaps in knowledge exist can be easily filled up by this organization through a closer network of observatories as well as snow-gauging stations. Data regarding surface flows is the responsibility of the Central Water & Power Commission (CWPC) and State Irrigation Departments; gaps of knowledge in this field can also be fairly easily filled up by an increase in the number of stream and sediment gauging stations. Data regarding ground water resources is the responsibility of the newly created Central Ground Water Board and State Ground Water Organizations wherever these exist, but it must be stated that it is still largely lacking and will need sustained efforts during the next few years to collect. (How relevant such data can be is illustrated by the discovery of unexpectedly copious supplies of ground water near Jaisalmer in the Rajasthan desert. When developed, this resource will convert this area from an arid desert into a granary).

It is, however, in the field of soils that our organizational arrangements need to be strengthened most. Soil and land capability surveys are a must before programmes of soil and water management can be considered either for productive or denuded lands. In productive areas, such surveys are necessary to determine irrigation practices and fertilization levels while in marginal areas, these are needed to indicate how the land should be treated for control of soil erosion. However, this subject has somehow not received adequate attention so far. The primary responsibility for coordinating and guiding soil survey work must rest with a Central Soil Survey Organization. Such an organization was set up in 1955 but never gathered much momentum. While most of the States do possess soil survey organizations of their own, these

are engaged largely in carrying out detailed surveys in connection with irrigation projects, and little effort is being put in on carrying out a reconnaisance soil survey of the country as a whole. *At the rate at which work is going on at present, it is estimated that it will take 90 years to prepare a basic soil map of the country.* Soil testing facilities, which are so vital to intensive agriculture, are also seriously deficient, and need to be greatly improved.

Let us now turn from resource assessment to resource management. The proper management of soil and water resources—and these must always be considered together—in a given area is, by the very nature of things, possible only after various alternative cropping patterns, agricultural practices, and land treatment measures, etc., have been tried out in actual field conditions. This requires the setting up of research-cum-demonstration centres which could usefully also serve as training centres for extension workers and farmers. Such an approach was, in fact, adopted by the Department of Agriculture some years ago and a beginning was made with the setting up of 8 such centres to investigate and deal with problems of soil erosion in different situations, including those faced in the management of water sheds in our River Valley Projects. Recently, ten pilot project have been put on the ground by the Department of Agriculture to deal with problems of soil and water management in irrigated areas—it is proposed to take up additional dozen or so such projects so that there is at least one in each State. How much strengthening these activities will need would be apparent when we consider that the total number of technicians working in such projects and the Soil Survey Organization under the Centre today is only around 500, about half of whom are engaged in soil survey work and half in soil and water management projects. A comparison with conditions in U.S.A. will show how pitiably small these numbers are. Although that country has land and water resources which are much larger than ours and a population which is barely half of ours, it possesses, as part of the U.S. Department of Agriculture, a unified Soil Conservation Service (responsible for soil surveys as well as soil and water management matters on a country-wide basis), which has a permanent strength of 15,000 men and a temporary strength of about 5,000 men. And this is in spite of the fact that the federating States of the U.S.A. possess far larger organizations of their own in these fields than our States do.

It seems that the time has come when we should take a leaf out of the American book and create something similar to their federal Soil Conservation Service (SCS) which has reached out almost to the last village, as it were, in an effort to save the country's soil and water

resources. The SCS has an office not only in each State of the federation but in each of the 3,000 odd countries of the country, so thorough is its coverage. The service is manned by technicians drawn from all the disciplines which are required for the job—soil sciences, engineering, agronomy, hydrology, etc.—and studies (in collaboration with State and University agencies where feasible) soil and water problems in every possible situation in order to find the right answers.

The obvious solution to many of our problems would seem to lie in the setting up of a permanent and prestigious organization which may appropriately be called the Central Soil and Water Conservation Commission and entrusting to it the same sort of responsibility which the SCS is discharging so successfully in the U.S.A. Such a Commission should naturally be located in the Department of Agriculture and should assume responsibility, at the Centre, for work connected with soil surveys, as well as for all aspects of soil and water management. With the setting up of such an organization, it would become possible, for the first time, to take up integrated view of the country's needs in these related fields and to formulate policies and plans calculated to face boldly and imaginatively the perilous situation in which we are placed today. The creation of strong soil and water management organizations in the States and the allocation of suitable resources to them for the execution of specific schemes would be among the most important functions of the Commission. The Commission would inherit about 20 regional Soil and Water Management Centres to begin with. These could be quickly increased in number so as to give adequate attention to each type of local situation and to provide a good research and demonstration base for effective extension work. A vastly expanded and time-bound soil survey programme could also be launched so as to provide the necessary basis for area planning in as short a time as possible. A massive water-shed management programme could also be taken up in a bid to save our reservoirs from extinction before it is too late. Special programmes for the reclamation and amelioration of degraded lands and deserts could also be given adequate attention. Such an approach would not only help to save our soil and water resources from further damage and safeguard the interests of generations as yet unborn but would also create vast and unending employment opportunities for technical and unskilled workers alike. For there is no limit to the loving care we can lavish on the Good Earth—and therefore, on ourselves.

CONCLUSION

Problems, such as the gradual disappearance of forests and wild-life, have not been mentioned separately in this article because these

are merely the symptoms of the disease we have to fight, not the disease itself (as they are sometimes made out to be). Problems of the pollution of the atmosphere and of the oceans also do not find any mention here—this is so because a lot of work is being done on these by Western countries and we can make use of their findings without difficulty, provided the desire to do so is there. However, it may be desirable to create a small Bureau of Ecological Affairs in the Cabinet Secretariat to keep the Prime Minister and her colleagues informed of the latest developments in these fields and also to ensure that the proposed Department of Civic Affairs and the Soil and Water Conservation Commission at the Cente are not starved of funds and personnel. Another suggestion which may be considered is the formation of a nation-wide society, somewhat on the lines of the Red Cross Society, under Government patronage to draw the people's attention to the need of improving their immediate surroundings and conserving the nation's resources in soil and water. Such a Society could perhaps appropriately be called the Green Cross Society of India to signify the greenery which we want to see in parks and open places in our cities as well as in the country-side.

A DIMENSIONAL APPROACH TO THE ECOLOGY OF PUBLIC BUREAUCRACIES—AN ADDENDUM TO JOHN FORWARD

Ramesh K. Arora & Augusto Ferreros

"ECOLOGY" is an "in" word in policy sciences. However, its main application has been in the field of biology, where it suggests the interdependence between an animal species and its natural environment. Sociologists have extended the use of the term to mean a study of man's spatial relations in urban settings. In 1947, John M. Gaus in a seminal paper, emphasized the need to employ the concept of ecology in the study of public administration—namely the necessary interdependence of public bureaucracy and its environment.[1] He presented a list of factors "useful as explaining" the ebb and flow of the functions of government. They were: people, place, physical technology, social technology, wishes and ideas, catastrophe, and personality.[2] Besides leaving the problem of overlapping categories unresolved, Gaus did not elaborate these factors sufficiently, though his suggestive study did encourage other scholars to look at ecological dimensions of public administration.[3] In the same year, Robert Dahl criticized the culture-bound character of public administration literature and stressed the need for cross-cultural studies that emphasized environmental effects on administrative structure and behaviour.[4] Dahl observed that public administration cannot escape the effects of "national psychology" and political, social, and cultural environment in which it develops. He decried the almost total ignorance of the relationship between the so-called "principles of public administration" and their general setting.

In fact, Dahl was simply reflecting an emerging interest in the

---

[1] John M. Gaus, "The Ecology of Government", in *Reflections on Public Administration*, University of Alabama Press, 1947, pp. 1-19.

[2] *Ibid.*, p. 9.

[3] The relation of public administration to its peculiar environment was not altogether ignored in the previous literature. For studies not ignoring environmental variables, see among others, Walter Dorn, "The Prussian Bureaucracy in the Eighteenth Century", *Political Science Quarterly*, Vol. 46 (1931), pp. 40[illegible]-23; Fritz Morstein Marx, "Civil Service in Germany", in *Civil Service Abroad*, New York, McGraw-Hill, 1935 and John M. Gaus, "American Society and Public Administration", in L. D. White, John M. Gaus, and M. E. Dimock, *The Frontiers in Public Administration*, Chicago, University of Chicago Press, 1936.

[4] Robert A. Dahl, "The Science of Public Administration: Three Problems", *Public Administration Review*, Vol. 7 (1947), pp. 1-11.

United States in the study of administrative patterns of the newly independent nations during the post Second World War period. The varied patterns of existing administrative systems encountered in the emerging nations stirred interest in the diverse effects of social setting upon public administration. Reflecting upon this period of growth in the discipline, Edgar Shor was correct in observing that no enlightened discussion of non-Western administration or its modernization would neglect to acknowledge, if only perfunctorily, the relevance of environmental factors.[5] During the same period, the U.S. technical assistance programme was in its early period of growth. Considering this early development, Roscoe Martin pointed out that the vital issues were not whether, but which of these factors were significant, and what elements of Western practice were transferable.[6]

This perspective had an implicit impact in the writings of public administration scholars during the 1950's. By 1961, Fred W. Riggs, in his ground-breaking *The Ecology of Public Administration*, had explored, from a comparative perspective, the interaction between public administration and the environment in which it develops.[7] Riggs developed his analysis in the study of public administration in the U.S., ancient Siam and modern Philippines and Thailand, representing broadly his ideal type models of "refracted", "fused", and "prismatic" societies respectively. He chose only social, economic, symbolic, communication, and political variables of the environment for specific treatment, and left psychological and cognitive factors outside his purview of study. Later, he examined broadly the dimensions of geographic ecology, time, demography, national psychology, and "social technologies" of the complex process of "development" in cross-cultural settings.[8] Though the conceptual perspectives of Riggs have been insightful, his analysis has not been precise enough to permit operationalization of some of his categories in the study of the administrative ecology.

[5] Edgar L. Shor, "Comparative Administration: Static Study Versus Dynamic Reform", *Public Administration Review*, Vol. 22 (1962), reprinted in Claude E. Hawley and Ruth G. Weintraub (eds.) *Administrative Questions and Political Answers*, New York, D. Van Nostrand, 1966, p. 513.

[6] Roscoe C. Martin, "Technical Assistance: The Problem of Implementation", *Public Administration Review*, Vol. 12 (1952), p. 266.

[7] Fred W. Riggs, *The Ecology of Public Administration*, New York, Asia Publishing House, 1961.

[8] Fred W. Riggs, *The Ecology of Development*, Bloomington (Indiana), Comparative Administration Group 1964. It might be noted that besides the students of Public administration, social organization theorists have also used the concept of environment of organizations. It has been elaborated specifically in the literature employing the "open" systems approach. See, for example, Philip Selznick, *TVA and the Grass Roots*, Berkeley, University of California Press, 1949; Talcott Parsons, "Suggestions for a Sociological Approach to the Theory of Organizations," *Administrative Science Quarterly*, Vol. 1 (1956), No. 1 and 2, pp. 63-85 and 224-39; and James D. Thompson, *Organizations in Action: Social Bases of Administrative Theory*, New York, McGraw-Hill, 1967.

The basic premise of the ecological approach in comparative public administration is that public bureaucracy may be regarded as one of the several basic institutions in a society. Thus, in order to understand its structure and functions, it must be studied in the context of interrelationships with other institutions. In systemic terms, bureaucracy as a social institution is continually interacting with—*i.e.*, affected by and feeding back upon—the economic, political and socio-cultural subsystems in a society. It is both a modifying influence on these systems as well as a system which is modified by their activity. It has been recognized then that the knowledge of the ecological dimensions of public administration in various settings can aid the "scientific" development of the study of public administration. Its practical importance lies in the insights it provides in the policy-formulation process in the areas of technical assistance and administrative development.[9]

One common weakness of most of the frameworks on administrative ecology is that they are based solely upon intuitive and *a priori* assumptions concerning the relationship of public bureaucracies and other societal sub-systems.[10] Thus, while these frameworks may make important contributions in terms of descriptive analysis and imaginative classificatory schemes, their contribution to explanatory theory is hampered by the absence of systematic methodology as well as an empirical base upon which to generate hypotheses.

Nature of Present Study

This study attempts to provide an empirical framework for ecological studies in comparative public bureaucracies. In doing so, it builds upon the work of John Forward.[11] The attempt here will be to design a broad and general framework for comparative empirical studies in the field of public bureaucracies.

Most of the studies of ecology of public administration are of an "ideographic" character, *i.e.*, they have a single society or area orientation. The present study adopts a "nomothetic" approach which is a general theory building strategy.[12] However, both of these orientations should be considered as complementary and not competing.

[9] For these emphases, see Roscoe C. Martin, *op. cit.*, and Robert A. Dahl, *op. cit.*

[10] See, for example, Joseph LaPalombara (ed.), *Bureaucracy and Political Development*, Princeton, Princeton University Press, 1967.

[11] John Forward, "Toward an Empirical Framework for the Ecological Studies in Comparative Public Administration", in Nimrod Raphaeli (ed.), *Readings in Comparative Public Administration*, Boston, Allyn and Bacon, 1967, pp. 4[illegible]-472.

[12] For distinction between ideographic and nomothetic approaches, see Fred W. Riggs, "Trends in the Comparative Study of Public Administration", *International Review of Administrative Sciences*, Vol. 28 (1962), pp 9-15. Riggs has underlined the importance of the nomothetic approach for general theory building [illegible]. See Fred W. Riggs, *Administration in Developing Countries: The Theory of Prismatic Society*, Boston, Houghton Mifflin, 1964, p 427.

Hypotheses and Data

Probably the only existent attempt to relate ecology to bureaucracy in precise quantitative terms systematically has been that of John Forward. Initially, Forward examined the interrelationships of 25 ordinally and nominally scaled variables with a nominal scale purporting to measure the "nature" of bureaucracy. These variables for 115 nations were obtained from the Banks and Textor study, *A Cross Polity Survey*.[18] Forward picked out the sub-set of independent variables that were most highly associated (via contingency coefficient analysis) with the index of the "nature" of bureaucracy. These 25 variables were: (1) Historical and significant Westernization, (2) Urbanization, (3) Interest articulation by associational groups, (4) Literacy rate, (5) Economic development status, (6) Ratio of agricultural population to total population, (7) Level of political modernization, (8) Charismatic leadership, (9) Per capita National Product, (10) Ideological orientation, (11) Newspaper circulation, (12) Toleration of autonomous groups in politics, (13) Competitiveness of electoral systems, (14) Representative character of regimes, (15) Effectiveness of legislature, (16) Government stability since World War II, (17) Frequency of interest articulation groups, (18) Linguistic homogeneity, (19) Gross National Product, (20) Stability of the party system, (21) Density of population, (22) Level of sectionalism, (23) Level of political enculturation (24) Religious homogeneity, and (25) System style.

The ordinal measure of bureaucracy used in Forward's study was identical to Banks and Textor's index of the character of bureaucracy. Although the measure is subject to an unknown degree of error in that it is based on the subjective ratings of experts in the field, and despite its ambiguous definitions, it is the only measure available.

Each polity in their sample has been classified into one of the following categories:

> *Modern*—generally effective and responsible civil service, performing in a functionally specific, non-ascriptive social context,
>
> *Semi-modern*—largely rationalized bureaucratic structure of limited efficiency because of shortage of skilled personnel, inadequate recruitment criteria, excessive intrusion of non-administrative organs, or partially non-congruent social institutions;
>
> *Transitional*—largely rationalized ex-colonial bureaucratic structure in the process of personnel nationalization and adaptation to

18 Arthur S. Banks and Robert B. Textor, *A Cross Polity Survey*, Cambridge (Mass.), M.I.T. Press, 1963.

the servicing or restructuring of autochthonous social institutions; and

Traditional—largely non-rationalized bureaucratic structure performing in the context of ascriptive or deferential stratification systems.

Forward took a sub-set of 12 measures from the 25 variables and performed an unfolding scaling analysis to construct *a priori* dimensions of ecology, calling this a factor analysis procedure. He focussed on 12 particular variables because of the computational constraints involved in unfolding a 25×25 matrix of correlations. Forward then observed that he had derived four distinct factors and a fifth residual one. The four factors were: economic, communications, political, and socio-cultural.

Several problems became apparent in Forward's analysis. First, he used unfolding analysis to "factor" his ecologial dimensions—a procedure quite distinct from orthodox factor analysis techniques as we know it. Also possible was a factor analysis procedure, such as the principal axes technique, or the centroid method to extract the ecological dimensions—but Forward chose not to do so. In using unfolding analysis, he used a technique more appropriate for "unfolding" ordinal preferential choice data into sets of scales.[14] His ordinal scales were based on the orderings produced by the rank order of the sizes of the contingency coefficients of the variables in relation to *a priori* defined core variables of each factor. This leads us to Forward's main problem that he had already imposed the existence of his dimensions prior to his analysis. Factor analysis, as opposed to unfolding analysis, does not presume *a priori* notions of the latent structure of the data. Instead, it attempts to uncover latent dimensions or meaningful linear combinations that may be existent in the data.[15] In doing so, it approximates the "*true*" structure underlying the data in a more meaningful way than *a priori* determination of such a structure from the construction of the dimensions by ordinal scaling procedures. From this perspective, Forward's "derived factors" are of limited utility in portraying dimensions of administrative ecology.

The hypotheses of this study are based on the assumption that the ecology of public bureaucracies is multi-dimensional. Forward's findings can also be advanced as suggestive of the ecological structure of such bureaucracies.

[14] See C. H. Coombs, *A Theory of Data*, New York, Wiley, 1964, pp. 83-106.

[15] For the functions of the factor analysis, see Rudolph J. Rummel, "Understanding Factor Analysis", *Journal of Conflict Resolution*, Vol. 11 (1967), pp. 444-481.

Riggs has called our attention to the importance of the economic factor and "marketization" influences on systems of administration.[16] He has noted the effect of market principles on the personnel and fiscal systems of developing countries. The efficacy of economic facets of the administrative ecology is also underlined by Forward's findings. (His first "factor" was labeled an "economic" factor.) It can, thus, be hypothesized that an economic development factor underlies the variance in the correlation matrix of these 25 variables, and that variables, such as GNP, per capita National Product, economic development status, agricultural-total population ratio, and urbanization should have high loading on this factor.

The role of communication has long been emphasized in the literature on social organizations and public administration. John Dorsey and Fred Riggs have emphasized communication as an important component of administrative ecology. Dorsey, in fact, has sketched an information energy model for administrative systems in developing societies and has observed that low levels of development vary along with low supplies and surpluses of information and energy. Dorsey recommends that societies seeking development increase their informational intake and their information handling capacity in developing networks of transportation and communication.[17] Riggs emphasizes more specifically the importance of literacy, common language, radio, press, and T.V. services (the media), and religion in inducing mobilization and assimilation of population and their impact on public administration.[18] In keeping with these ideas and Forward's findings, it can be hypothesized that a communication factor is latently suggested by the 25 variables under examination. Variables that are expected to load highly on this dimension include: literacy, newspaper circulation, linguistic homogeneity, level of sectionalism and religious homogeneity.

Socio-cultural factors are likewise extremely important in the manner in which these shape administrative ecology. Riggs has noted the possible effects of such social structures as families, sects, social classes, and associational groups on administration.[19] These structures crucially affect bureaucratic recruitment, socialization, promotion and

---

16 See Fred W. Riggs, "Administration in Developing Countries: The Theory of Prismatic Society", *op. cit.*, pp. 100-121.

17 John Dorsey, "An Information Energy Model", in Ferrel Heady and Sybil Stokes (eds.) *Papers in Comparative Administration*, Ann Arbor (Michigan), Institute of Public Administration, 1962, p. 52.

18 For Riggs' treatment of these variables in the context of the U.S. administrative ecology see his, "The Ecology of Public Administration", *op. cit.*, pp. 34-36.

19 See Fred W. Riggs, "Administration in Developing Countries: The Theory of Prismatic Society", *op. cit.*, pp. 157-173.

mobility. Furthermore, the role of culture and symbols in administration is also important in shaping administrative values, such as consensus and equality.[20] William Storm has also emphasized the significance of the study of the cultural factors of administrative ecology in comparative administration.[21] Michael Crozier's study has shown how the French bureaucratic behaviour is influenced considerably by the societal cultural norms in France.[22] It can, thus, be hypothesized, that a socio-cultural factor underlies the data analyzed in this article, and it is suggested that both social and cultural variables tend to interact with, and relate to, each other in a fashion that renders any distinction between these difficult, particularly in the context of developing areas. Variables that are expected to load on this factor are: Westernization, frequency of associational groups, population density, sectionalism, religious homogeneity, and linguistic homogeneity.

The political framework of administrative systems has long been emphasized in the literature of Western democratic, European communist, and the emerging nations of Afro-Asia and Latin America.[23] The fallacy of the politics-administration dichotomy was shown by a number of scholars such as Paul H. Appelby, Harold Stein, and Morstein Marx, during the post second World War period. The emphasis on the role of political factors in administrative decision making is being restated anew by such writers as Peter Woll, Aaron Wildawski, and George Gawthrop.[24] Brzezinski and Huntington have shown how the administrative and political structures are intertwined in the Soviet Union.[25]

The political elements in administration become quite significant in the power structure of administrative systems in developing areas. Weiss observes that, in developing states, a governmental bureaucracy in a sub-system of society in general and political institutions in

[20] *See* Fred W. Riggs, "Administration in Developing Countries: The Theory of Prismatic Society", *op. cit.*, pp. 174-205.

[21] William Storm, "Anthropology and Comparative Administration", in C. Heady and R. Weinraub (eds.), *op. cit.*, pp. 496-499.

[22] Michael Crozier, *The Bureaucratic Phenomenon*, Chicago, University of Chicago Press, 1964. *See also*, Lucian W. Pye, *Politics Personality, and Nation Building: Burma's Search for Identity*, New Haven, Yale University Press, 1962.

[23] Ferrell Heady has accorded considerable significance to the political environment of public bureaucracies. His typology of bureaucratic system is based on the political systems in which they operate. *See* Ferrell Heady, *Public Administration: A Comparative Perspective*, Englewood Cliffs (N. J.), Prentice Hall, 1966, especially chapters 5 and 6.

[24] Peter Woll, *American Bureaucracy*, New York, W. W. Norton, 1963; Aaron Wildawski, *The Politics of the Budgetary Process*, Boston, Little Brown, 1964; and George Gawthrop, *Bureaucratic Behavior in the Executive Branch*, New York, The Free Press, 1968.

[25] Z. Brzezinski and Samuel P. Huntington, "Cincinnatus and the Apparatchik", *World Politics*, Vol. 16 (1963), pp. 52-78.

particular.[36] It can then be hypothesized that a political factor is expected to be derived from the existent data and that variables loading highly on this factor consist of: interest articulation by associational groups, level of political modernization, leadership charisma, ideological orientation, group toleration, electoral competitiveness, regime character, legislative effectiveness, government stability, party system stability, level of political enculturation and system style.

Following the initial assumption of multi-dimensionality, certain hypotheses regarding the structure of ecological components underlying the data have been put forward. These propositions imply that administrative ecology consists of four basic dimensions, namely, the economic, communication, socio-cultural, and political. These components are not necessarily uncorrelated, nor do the variables hypothesized as loading highly and positively on these components necessarily load exclusively on these. The use of factor analysis in this context is primarily that of a tool for testing hypotheses on the dimensionality of the particular domain as defined by the 25 variables. Strictly speaking, the analysis does not focus primarily on the investigation of association between variables but rather on the kinds of clusters these variables form in the space of the data. Forward's contribution that these 25 variables and its sub-set of 12 correlate highly with the nature of bureaucracy, is acceptable, although the examination here includes all the 25 variables (unlike Forward) and uses principal component factor analysis.

Method

The tools used in this study consist of Pearson product moment correlation analysis and principal components factor analysis, followed by an orthogonal rotation using Kaiser's normal Varimax. Nominal and ordinal scaled variables have often been subjected to interval techniques of anaysis. Examples of these are the research works of Rudolph Rummel, Gregg and Banks, Nye, Powell, and Prewitt, and Michael Haas.[37] The issues surrounding the use of such scales arise from the

[36] M. Weiss, "The Role of Governmental Bureaucracies in Developing States", *Public Administration* (Jerusalem), 1967, pp. 112-120.

[37] Rudolph J. Rummel, *Applied Factor Analysis*, Evanston, Northwestern University Press, 1970; Arthur S. Banks and Phillip M. Gregg, "Grouping Political Systems: Q-Factor Analysis of A Cross Polity Survey", *The American Behavioral Scientist*, reprinted in John V. Gillespie and Betty A. Nesvold (eds.), *Macro-Quantitative Analysis*, Beverly Hills (California), Sage Publications, 1971, pp. 311-320; Phillip M. Gregg and Arthur S. Banks, "Dimensions of Political Systems: Factor Analysis of A Cross Polity Survey", *APSR*, Vol. 59 (1965), pp. 555-578; Norman Nye, G. Bingham Powell, and Kenneth Prewitt, "Social Structure and Participation: Developmental Relationships", *APSR*, Vol. 62 (1969), pp. 361-378, and Vol. 63 (1969), pp. 808-832, and Michael Haas, "International Subsystems: Stability and Polarity", *APSR*, Vol. 64 (1970), pp. 98-123.

properties of such scales and the permissible operations that are defined on these. Tufte and Willer have both emphasized that ordinal scales have interval properties and, thus, may be dealt with using interval methods without distorting the relationships inherent in the data.[28] Nye *et. al.*, have shown that a matrix of Pearsonian γ's does not differ significantly from that of a matrix of Rho's or Spearman rank coefficients. More sophisticated data analysts, such as Abelson and Tukey, have long been employing interval techniques to categorical and ordinal data.[29] Tufte observes that several statisticians have taken the distinction between ordinal and interval measurement "very, very seriously—almost to the point of paralysis". He warns, "By sticking rigidly to the distinction between ordinal and interval levels of measurement (a distinction often difficult to make in practice), we are, in effect, censoring the data and shutting off part of what the data could tell us—if we would only let them."[30] In the face of potential gains in measurement and analysis, Tufte sees very little of the potential cost in such scale-transformations.

Principal component factor analysis is distinctly superior to unfolding, for reasons explaind above in terms of drawing factors or linear combination of variables from a correlation matrix. It presupposes that a manifest variable X_{ji} may be described as a combination of latent factors or components, the basic model being:

$$X_{ji} = \sum_{k=1} A_{jk} C_{ki} \; (j = 1 \ldots m; \; i = 1 \ldots n)$$

where,

x = individual value,

c = component, and

a = loading

The principal estimation problem in component factor analysis is deriving the l's and a's, under the restriction that the factor is uncorrelated. These factors may then very parsimoniously explain manifest correlations. The primary step in estimating these latent factors is the calculation of eigenvalues and eigenvectors of the correlation matrix with l's on the diagonal. From Cooley and Lahnes, the matrix

[28] Edward R. Tufte, "Improving Data Analysis in Political Science", *World Politics*, Vol. 21 ([illegible]), pp. 641-654; and David Willer, "A Test of Interval Equivalence", *[illegible] Journal of Sociology*, Vol. 3 (1967), pp. 95-96.

[29] R. Abelson and V. Tukey, "Efficient Conversion of Non-Metric Information into Metric Information", in Edward R. Tufte (ed.), *The Quantitative Analysis of Social Problems*, Reading (Mass.), Addison Wesley, 1970.

[30] Edward R. Tufte, "Improving Data Analysis in Political Science", *op. cit.*, [illegible]

equation of component factor analysis is:

$$Rak = \lambda k \ Ak$$[31]

Resulting eigenvectors *Ak* (with corresponding values λk) can, after adjusting, be considered as columns of factor loadings—which, if the factors are uncorrelated, describe the correlation of variables with the factors.[32] The unrotated matrix is then examined to see the major patterns of variation in the data and the factors are rotated to clearly depict interpretable dimension—or a "single structure" of high positive, zero and/or high negative loading coefficients. Kaiser's normal Varimax was employed as the criterion for rotating the matrix since it maximizes the variance of the factor columns.[33] Interpretations were based on this last matrix.

Results

The 25 variables were intercorrelated using Pearson product moment correlation analysis.[34] The correlation matrix with *I*'s in the main diagonal was factored using principal component analysis.[35] Since the major concern lies in the rotated factor solution, intercorrelations and unrotated matrices were treated only preliminary steps to the rotated loading matrix which presents the basic findings of this article. The initial principal components solution derived six factors from the correlations. Altogether the six factors explain a very respectable 72 per cent of the total variance in the data. Only those factors that explained more than 5 per cent of the variance were kept for rotation purposes. In this case, the same six factors met this criterion and were rotated orthogonally using Kaiser's Normal Varimax.[36] The resulting matrix is displayed in Table I at page 210.

Instead of the four hypothesized factors, six were derived from the correlation matrix. On the basis of the variables that loaded highly on each factor, labels were assigned to each of the six factors, which were: a modernization factor, a democratization factor, a political stability factor, a cultural integration factor, an ethnic diversity factor and an ideological-systemic factor.

---

[31] William Cooley and Paul Lohnes, *Multivariate Procedures for the Behavioral Sciences*, New York, Wiley, 1962, p. 158.

[32] *See* Rudolph J. Rummel, *op. cit.*, especially Chapter 14 "Factor Techniques", pp. 333-348.

[33] Ibid., pp [illegible].

[34] The computer programme used was BFA01B, "Correlations, Standard Scores and Plots", Kansas University Computation Center.

[35] The computer programme used was BFA03C, "Principal Component Analysis", Kansas University Computation Center.

[36] The computer programme was BFA11A, "Varimax Factor Rotation", Kansas University Computation Center.

Table [illegible] Rotated Factor Loading Matrix ([illegible] Ecological Variables) Kaiser's Normal Varimax Orthogonal Rotation

Index of Variables	Factor Loadings 1	2	Col—Factor 3	4	Row—Variable 5	6
1	0.4368	0.1163	−0.0613	−0.0268	−0.2115	0.4063
2	0.2334	[illegible]	0.1915	0.4620	−0.2185	0.1171
3	−0.5118	−0.2289	0.0816	0.1051	0.0948	0.1102
4	0.7288	−0.0216	−0.0107	0.0611	0.3719	0.1274
5	0.9107	0.1301	−0.1656	−0.0112	−0.0615	−0.1400
6	0.0414	0.1084	−0.0153	0.0490	0.0741	−0.1731
7	[illegible]	−0.1169	0.0085	0.3145	−0.1401	0.1092
8	0.8078	−0.0132	0.0004	0.3042	−0.1962	−0.0173
9	−0.0761	−0.0670	0.0590	0.8447	0.0274	0.0785
10	0.1611	0.0028	0.0411	0.5361	−0.4029	−0.1082
11	0.2022	0.0566	−0.0066	0.0740	0.1564	0.0216
12	0.7534	0.0534	0.2211	0.2117	0.0108	−0.0258
13	−0.3644	−0.1250	0.0459	0.1013	0.0600	0.2155
14	−0.3060	−0.4630	0.0662	0.2271	0.2432	0.0451
15	−0.3032	−0.0804	0.9076	−0.1000	−0.2490	−0.0163
16	0.1638	0.8044	−0.0936	0.3426	−0.3591	0.0117
17	−0.0063	0.7450	0.1511	0.0111	0.3624	−0.2294
18	0.9011	0.0480	0.2290	−0.1591	0.0054	−0.1044
19	0.3376	−0.9962	−0.1098	0.5513	−0.1367	0.0156
20	−0.4570	0.5025	0.1075	−0.2928	0.7106	−0.0027
21	0.7002	0.2002	0.1219	−0.0137	−0.0795	0.1034
22	−0.6543	−0.1467	−0.0449	0.0509	0.2121	0.2465
23	−0.0066	−0.1098	−0.3689	0.0171	0.1497	−0.0914
24	−0.5130	0.2075	−0.2637	0.1636	0.3679	0.0666
25	0.2199	0.8176	−0.0234	−0.0095	0.0500	−0.5004

Total Contributions VP — Col—Factor

1	2	3	4	5	6
5.0002	3.3137	1.3427	2.0560	1.7390	1.6867

Original Variance—25.000

Variance Explained—17.907

Per cent of Original Variance—71.6

Per cent of Original Variance — Col—Factor

1	2	3	4	5	6
20.00	13.25	7.77	8.21	6.92	5.95

Per cent of Explained Variance — Col—Factor

1	2	3	4	5	6
45.40	18.44	10.85	11.43	9.65	8.42

Index of Variables Description

1 Density of Population
2 Urbanization
3 Agricultural-total Population Ratio
4 Gross National Product
5 Per capita National Product
6 Economic Development Status
7 Literacy Rate
8 Newspaper Circulation
9 Religious Homogeneity
10 Linguistic Homogeneity
11 Historical Significant Westernization
12 The Level of Political Modernization
13 Ideological Orientation
14 System Style
15 Governmental Stability since World War II
16 Representative Character of regimes
17 Competitiveness of Electoral systems
18 Toleration of Autonomous Groups in Politics
19 Level of Political Enculturation
20 Level of Sectionalism
21 Interest Articulation by Associational Groups
22 Interest Articulation by Institutional Groups
23 Party System Stability
24 Charismatic Leadership
25 Effectiveness of Legislature

Factor one—modernization—explains the largest amount of the variance in the rotated solution (41.4 per cent), and contrary to initial expectations, social, communication and economic type variables as well as some political variables loaded highly on this factor. Apparently, social factors go hand in hand with communication and economic factors in the process of development—a well-established thesis in current theory in development economics.[37] The variables with loadings higher than ±0.50 are given as follows:

Variables	
Urbanization	0.53
Agriculture/total population ratio	—0.84
Gross National Product	0.75
Per Capita National Product	0.91
Economic development status	0.84
Literacy	0.67
Newspaper circulation	0.81
Westernization	0.86
Political modernization scale	0.75
Interest articulation by associational groups	0.78
Interest articulation by institutional groups	—0.63
Leadership charisma	—0.51

Modernization seems to be an appropriate label given the high positive loadings of the economic measures of GNP and economic development. High GNP rates and high degrees of economic development appear to be associated with a high level of urbanization,[38] a high literacy rate and newspaper circulation. These last three variables are important elements of Lerner's "systemic" theory of modernization.[39] Morroe Berger has noted the importance of this influence of "Westernization" on public bureaucracies in less developed countries.[40]

[37] *See*, among others, Gerald Meier *Leading Issues in Economic Development*, New York, Oxford University Press, 1970 (2nd edition) and Robert Heilbroner, *The Great Ascent* (New York, Harper, 1965), and *The Economic Problem*, Englewood Cliffs, (N.J.), Prentice Hall, 1970 (2nd ed.).

[38] Our findings on the relationship between urbanization and development tend to support those of Lipset and Cutright. *See* S. M. Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy", *APSR*, Vol. 53 (1959), pp. 69-105; and Phillip Cutright, "National Political Development: Its Measurements and Social Correlates", *American Sociological Review*, Vol. 28 (1963), pp. 253-264.

[39] Daniel Lerner, *The Passing of Traditional Society*, Glencoe (Ill.), The Free Press, 1958, pp. 54-65.

[40] Morroe Berger, "Bureaucracy East and West", *Administrative Science Quarterly* Vol. 1 (1957), pp. 518-528.

Modernized countries have high propensity for interest articulation by associational groups.[41] Such countries also rank high in terms of Banks and Textor's political modernization scale—a 4-point continuum ranging from advanced societies to pre-transitional societies.[42] Modernization appears to be associated with low agricultural/total population ratios, low leadership charisma[43] and a low level of interest articulation by such institutional groups as the bureaucracy, the army, church, etc. These loadings appear to be quite meaningful in terms of political development theory. The more developed countries rely less on agriculture than on industry. Leadership, is de-personalized. In addition, no one autonomous institutional group, such as the army or bureaucracy, tends to dominate the power structure. Riggs' concept of "balance of power" between bureaucracy and political groups tends to operate in such situations.[44]

The second factor is primarily a "democratization" factor and explains 18.44 per cent of the variance in the rotated matrix. Of the factors derived from our analysis, this comes closest to a purely "political" factor but the substantive meaning of the loading deserves closer scrutiny. This is as follows:

Representative character of regimes	0.80
Competitiveness of electoral systems	0.74
Degree of freedom of group opposition	0.84
Legislative effectiveness	0.84

This factor seems to index those variables that measure the degree to which a system is "democratic". Dahl's work on polyarchy and political opposition bears out the importance of conditions very similar to those denoted by these measures.[45] The term "democratization" is then assigned to this factor, for want of a better label.

The third factor appears to be even more substantially interesting than the first two. This factor explains 10.8 per cent of the variance in

---

41 Gabriel Almond and G. Bingham Powell, *Comparative Politics: A Developmental Approach*, Boston, Little Brown, 1966, pp. 78-79.

42 Banks and Textor, *op. cit.*, p. 78.

43 This tends to support the thesis of Max Weber. *See* Max Weber, *The Theory of Social and Economic Organization* (edited with an introduction by Talcott Parsons), New York, Free Press, 1947, pp. 358-363.

44 Fred W. Riggs, "Bureaucratic Politics in Comparative Perspective", *Journal of Comparative Administration*, Vol. 1 (1969), pp. 5-38.

45 Robert A. Dahl, *A Preface to Democratic Theory*, Chicago, University of Chicago Press, 1956; *Political Opposition in Western Democracies*, New Haven, Yale University Press, 1966.

the rotated solution, and only following two variables load highly and negatively on this factor:

Government stability	—0.87
Party system stability	—0.86

Quite obviously, this is a political instability factor, seen from the direction and magnitude of the factor loading. This factor also suggests that instability of political parties appears to be associated with the general rise and fall of governments. This contention is borne out by the original correlation of 0.63 between the two variables. The pervasive phenomenon of political instability, especially in the Afro-Asian and Latin American nations, has been treated considerably by Eisenstadt, Huntington, Almond and Powell, and Riggs.[46]

The fourth factor directly conflicts with the initial assumption that social and cultural variables are not exactly distinguishable from each other in less developed areas. The factor solution has somehow extracted an independent cultural integration dimension from the data. The three variables indexing this dimension are:

Religious homogeneity	0.84
Linguistic homogeneity	0.57
Political enculturation	0.52

This factor explains 11.4 per cent of the variance in the rotated solution and bears out the importance of the cultural integration component in administrative ecology. Furthermore, it necessarily posits a strong association between religious and linguistic homogeneity which tends to be found simultaneously with a higher level of political enculturation (the latter measured in terms of degree of opposition and absence of communalism, fractionalism and disenfranchisement or political non-assimilation).[47] High levels of political enculturation probably require high levels of religious as well as linguistic homogeneity.[48]

[46] S. N. Eisenstadt, *The Political System of Empires*, New York, Free Press, 1963; Samuel P. Huntington, *Political Order in Changing Societies*, New Haven, Yale University Press, 1968; and Gabriel Almond and G. Bingham Powell, *op. cit.*, and Fred W. Riggs, "Theory of Political Development", in James C. Charlesworth (ed.), *Contemporary Political Analysis*, Glencoe, Free Press, 1967, pp. 317-349.

[47] Banks and Textor, *op. cit.*, pp. 87-88.

[48] For a study of the interaction between religious homogeneity and politics, see Donald Eugene Smith, *Religion and Political Development*, Boston, Little Brown, [illegible]; for reference to linguistic homogeneity in relation to administrative development, see Riggs, *The Ecology of Public Administration*, *passim*.

The fifth factor explaining 9.6 per cent of the variance has been loosely labelled an "ethnic diversity" factor. Surprisingly, variables expected to load on socio-cultural and communication factors load instead on this factor. That this factor emerged as an independent dimension—from that of the cultural integration domain—is also interesting. Development literature on the cultural pluralism phenomenon in developing countries tends to imply that ethnic diversity forms an important element in the political culture of these nations.[59] The findings here, although not conclusive, suggest that ethnic diversity may possibly be distinct from other cultural elements, such as language and religious value systems.[60] The variables loading on this factor are:

Sectionalism	0.71
Charismatic leadership	0.57
Linguistic homogeneity	—0.40

The third variable was included in order to aid in the labelling of this factor. Although it is not quite as high as the cut-off point of ±0.50 it does appear to be consistent with the loadings on sectionalism and charismatic leadership. Countries with high sectional cleavages also tend to be countries that are characterized by personalistic types of leadership and areas that are linguistically heterogeneous, *e.g.* countries of Asia and Africa.

The last factor explains about 8.3 per cent of the variance. It was loosely called an "ideological-systemic" factor, primarily because of the variables loading distinctively on this factor:

Ideological orientation	0.77
System style	0.60

The first variable was measured on a 5-point scale ranging from doctrinal ideology to traditional ideology.[61] System style was measured on a 3-point scale ranging from mobilizational style to non-mobilizational style.[62] Ideology appears to be a component, independent of modernization, stability, and cultural integration and, as such, appears as an important dimension of administrative ecology.[63]

---

59 Frederick Von der Mehden et. al., *Issues in Political Development* (Englewood Cliffs, N. J.: Prentice Hall, 1967).

60 For an interesting study on this subject, see Juan J. Linz and Amando de Miguel, "Within Nation Differences: The Eight Spains", in Richard L. Merritt and Stein Rokkan (ed.), *Comparing Nations* (New Haven: Yale University Press, 1966), pp. 267-319.

61 Banks and Textor, *op. cit.*, 80.

62 *Ibid.*, 82.

63 The significance of ideology in the modernized western states is underlined by Joseph LaPalombara, "Decline of Ideology: A Dissent and an Interpretation", *APSR*, Vol. 60 (1966), pp. 5-16. LaPalombara questions the theses of Aron, Lipset and Bell. Our findings tend to support LaPalombara's hypothesis.

Summary

A factor analysis of 25 ecological variables found to be highly related to Banks and Textor's index of the character of public bureaucracies revealed six distinct dimensions as opposed to the four originally hypothesized. These four hypothesized dimensions consisted of an economic factor, a communication factor, a socio-cultural factor and a political factor. The factors emerging from the data were: a modernization factor, a "democratization" factor, a political instability dimension, a cultural dimension, an ethnic diversity dimension, and an ideological-systemic component. Apparently, the hypothesized ecological dimensions do not adequately portray the complex structure described by the variables under study. The findings are at variance with the original hypotheses of this study, as well as with the findings of John Forward. Political elements appear to be pervasive throughout the ecological dimensions that characterize the environment of public bureaucracies; even culture has distinctively political characteristics. The findings appear to be consistent with literature dealing with the interaction between administration and its political environment and lends credence to the idea that public administration does not operate in a vacuum but rather in the centre of complex socio-economic, cultural and political phenomena, continually interacting with them.

MOVAL OF POVERTY : SOME SUGGESTIONS AND ADMINISTRATIVE IMPLICATIONS

R. N. Chopra

DEBATE on the methodology for a "Garibi Hatao" campaign is currently raging in the political, economic, social and administrative circles of the country. Seminars are being held; articles are appearing in the Press; speeches are being made by knowledgeable al scientists and concerned political leaders; and what is quite tening is the fact that even in social conversation, the subject attracted considerable attention and views are being exchanged, way or the other. All agree that the campaign, when launched, t be helped to a successful end, for without that the present atmos-e of pseudo complacency, prevailing in the upper and the middle rs of our society, would be rudely disturbed in the foreseeable future the socio-political equilibrium, obtaining today somewhat uncom-ably, will be shaken to the core. It is being appreciated that the ome of the recent elections, which added so much political strength e country, was to a considerable extent determined by the "relevant calism" envisaged by the "Garibi Hatao" slogan.

The open debate on the subject is throwing up some of the ctions in which the campaign may be launched. The symposium, ntly organized by the Indian National Forum in Delhi, arrived at estions, like a law on wastage, cutting down of luxury goods, ures for strict austerity in private expenditure, a network of ive irrigation schemes, priority for agricultural development, th of cottage industry and rural construction, with productive em-ment to the poor, semi-employed and unemployed and so on. Planning Commission is also reported to have worked out a broad gy which could remove poverty by the end of the Sixth Plan, viz. 983; the strategy includes people's participation in implementa- and shift from an era of centralized planning to one of decentra- planning. The Vice-President of India emphasized that "by large it is the people's devotion to work which makes all the diffe- t and people's participation was necessary for the gigantic task". President of the Indian National Forum succinctly observed that ar on poverty would be tougher than the fight for freedom and the

leadership would once again have to set up high standards to be followed by public servants and citizens.

So far so good; one can assume that the experts in the Government of India will formulate an overall strategy, both at macro and micro levels—a strategy which will ensure the success of the "Garibi Hatao" campaign. The question of a speedy and successful implementation of the projects and schemes will also be considered very seriously. These experts will, no doubt, bear in mind the "tenets" of the 'New Economics' which are currently building up in the country, including the one which lays down that increase in the GNP must be considered only as one component of a multi-dimensional transformation of society. Ultimately, a new Five Year Plan (or Plans) for the country would emerge which would cater for development, increased production in the field and the factory, social justice in the distribution of income, ensured employment and a reasonable basic living standard for all who are prepared to work. The actual execution of such a Plan or Plans will, doubtlessly, throw up a much bigger challenge to the Government than the mere formulation of a Plan or Plans. It is with this brief understanding of the "Garibi Hatao" campaign that some suggestions have been made in the succeeding paragraphs, relating to formulation as well as implementation of Plan or Plans referred to above. This is no attempt at any comprehensiveness here, only the points based on the writer's direct experience, by and large, have been dealt with. It is also realized that the Indian situation is a complex one. No models or precedents fitting with our situation would be readily forthcoming. We will have to find our own way, across the wilderness, in the light of our own past experience and the genius of our people in the various States.

POINTS FOR PLAN FORMULATION

Regional Plans Based on Resource Development

Different parts of the country and different regions within the States would react to different developmental treatments. The nature has blessed those regions with varying endowments and the people residing therein have certain values, habits and ways of life which have to be respected and to the extent possible, influenced perceptibly towards habits of honest and hard work. Experiments in regional planning and development, based on an intensive exploitation of those local endowments—viz., of soil, altitude, rainfall, climate, the people's talent and habits, etc.—have shown very encouraging results elsewhere. The author is aware of the positive gains made, in the erstwhile Punjab hilly areas and the then Himachal Pradesh, from such experiments conducted

with imagination, commitment and a singleness of purpose. Experiments on similar lines, suitably modified, could be introduced in U.P. hilly areas, Northern Districts of West Bengal, Telangana region of Andhra Pradesh and so on. The following salient points may be borne in mind:

(1) At techno-economic survery of local resources and potential should be got made from expert bodies, like the NCAER or with the help of the expertise available in our universities,

(2) Till such survey is completed, an annual plan for the area may be drawn up, based on available data, past experience, preferences and momentum and with details properly worked out, indicating the funds required in the year. Such a plan will be a part of the annual State Plan.

(3) A reasonably capable but really devoted Development Commissioner for the region should be appointed, to implement the Plan with the help of departmental heads of Deputy Director's rank—the Development Commissioner having the authority to write their annual Confidential Reports.

(4) The Development Commissioner should be guided by a Regional Advisory Committee, consisting of all local MLAs, MPs, Block Samity Chairmen and some interested non-officials, presided over by the Chief Minister and meeting once a quarter, to review progress and give suggestions.

(5) The authority of Government (in various Departments), except in certain important matters which will be clearly defined will be delegated to the Development Commissioner. In other words, subject to these exceptions, the residuary authority will be given to him. *Excepted* matters may include power to create new posts, promotions beyond a certain scale, appropriations from one budget head to another or from one plan head to another and so on.

(6) The Development Commissioner, dealing with a multi-departmental assignment, should work directly under the Chief Minister with a tenure of 3 to 4 years. If due for promotion earlier, he will be given the necessary advantage in the same post.

(7) The Development Commissioner and his team of officers will popularise new ideas and techniques by intensive touring, practical demonstrations, etc., also ensuring that the supplies and services are made available to the people at the right time

and the place. The measure of their success in the field, i due course, will be when the "people start running after them instead of they after the people".

(8) In the execution of plans of regional development, based o local endowments, some imbalances are bound to arise whic could be disposed of or sorted out with some effort. W should not be upset by such situations since a properl balanced economic development anywhere is more of a pio wish than reality. If, in a valley, more fruit is grown tha what can be transported straightaway to consuming market the canning industry is bound to appear on the scene whe proper facilities are provided to entrepreneurs.

The proposal, in short, is to develop the locally available r sources of a region intensively, on locating the same after a scienti survey, draw up a workable plan and entrust it to a senior officer wh would enjoy the confidence of the top political leader in the Stat exercise wide powers of Government (with a few exceptions) and wiel a large measure of authority over the team he works with. He will b assisted by a Regional Advisory Committee.

Local Rural Development Works—An Extensive Programme Needed

There is a gross underemployment and a considerable amou of unemployment in the rural areas. In a really socialistic patte of society, the right to work has to be respected and a welfare State mu think of ways and means to provide adequate work for all. But ide like raising a Land Army or Work Brigades, to be employed on a larg sized Development Projects, may not be found workable in our demo cratic set-up where the economy has limited resources and the digni of labour is yet to be recognized and a sense of discipline is still to b come a habit. It is suggested that rural development works (productiv in nature as far as possible and reasonably lasting) may be organize in each Community Development (C.D.) Block in such a way tha anyone wanting work, *on the locally prescribed minimum wage rat* should be given the opportunity to find it within a cycleable distance o 5 miles (or so) from his residence. Here, the Block Samiti shoul decide what local works would qualify for inclusion in the list and ho best this project to provide work to the bonafide unemployed people o the area should be organised. The funds, of course, will have to com from the State Government/Government of India, either directly fo this Scheme or as a part of the State Plan. The success or otherwise o the Scheme will be reviewed after one year. The Development Commi sioner of the State will operate the Scheme through the District Officer

he *BDOs* and the Block Agency. The operation of the Scheme will ot be in isolation; on the contrary, the job opportunities created by ther developmental activities as a part of the State or Regional Plan ı the Block will also be made use of.

tates Should be 'Reasonablesized' Administrative Units

States like the U.P. and Bihar are outsized, to an extent that lministratively they are perhaps unmanageable. No Chief Minister in tend well a State, with 10 crore population nor can a Chief Secretary ren know his District Officers if there are 50 or 60 Districts to look ter. The one obvious answer may be the breakup of such States into nits of smaller size, of two to three crore population only. In fact, perience indicates that States thus broken up have shown fresh vigour r development and progress. Haryana is an example, though it may ot be comparable with the States that may be carved out of U.P. all respects. The point to emphasize here is that since the tensity of administration, including its supervisory cadres, in a big zed State is very thinly spread, the problems of the people do not get e attention of the administration and since today every voter has the ght to be heard and have his grievances redressed, the answer would in carving out smaller States, with their own administrative parapherlia, from top to bottom. In the alternative, if for some emotional asons or overriding political considerations, such a breakup is not nsidered feasible, the big States may be internally divided into 3-4 gions, each placed under a Deputy Chief Minister or a senior Minister, th its own administrative set-up, including an Additional Chief cretary on top—assisted by other additional and lower rungs of the licial ladder. Only some well-defined functions may be reserved for e State Government—functions relating to parliamentary legislative rk, taxation, collection, budget making, allocation of Plan funds, m coordination, recruitment of top State services, etc.—the rest of e detailed administration, including plan formulation and execution, well as management of the service sub-cadres becoming the responsility of the regional Governments. The details can be spelt out rther. The overall objective is that neither the State nor any Unit sub-Unit of a State Administration should be too clumsily large; stead, these should be so manageable that the Ministers and the top licials can have a first-hand knowledge of the people and their oblems. It follows also that the size of a District in the State ould not have a population of more than 5-10 lakh. The ideal e, in fact, would be 4-5 lakhs only as borne out by experience. eforming and reorganization of District administration is badly eded. Smaller Districts certainly receive better attention all round.

Expenditure incurred on this reform will be worthwhile for democracy as well as for economic development.

C.D./Panchayati Raj Set-up Should Remain

Currently, the C.D./Panchayati Raj organizational set-up in the field is hibernating—or at best it is doing some odd jobs only. It is a pity that its prestige received a severe setback a few years ago, for varied reasons. This institution should really be resuscitated and made to work; in fact, no better arrangement for seeking and securing people's participation and cooperation in developmental activites at the grass-root levels in India has existed before or is possible really. It needs to be appreciated that this experiment in democratic decentralization should be considered deserving of the same respect and attention by the intelligentsia and the Government as is given to the democratic institutions at the State and the Central Government levels. On the other hand, we need really to be, in the initial stages, more tolerant even indulgent towards the conduct and performance of the rural representatives of the people at lower rungs of our democratic set-up. This training in democracy at the grassroots should equip the people's representatives with experience for taking over higher political responsibilities in due course. The author cannot at all conceive of the success of the "Garibi Hatao" campaign, unless it is fought with the help of the Panchayati Raj institutions, which alone offer a forum for ensuring the people's participation in any works of local development, whether in agriculture, the cooperative field, animal husbandry or small industry. Of course, the working of these institutions would need to be streamlined in the light of the experience so far gained, *e.g.*, we may consider doing away with the institutions of Zila Parishads or we need not insist on the Panchayati Raj institutions imposing local taxes—such taxes for them may be levied at the State level only and a proper share from the State finances may be earmarked for each Block/Samiti, by way of development finance, tied with schemes or as a Block fund or both.

Planning from Top and Below—How Reconciled?

At present, the State Plans—five yearly or yearly—are divided into allocation of funds under various heads of development, having specified schemes covering the entire State. To meet the local sentiments, however, the allotments are further sub-divided among the various Districts, though conceptually the expert thinking in respect of the scope of the schemes remains confined to the State level only. In actual implementation, the priority goes to those Districts in which the departmental officials are interested directly or where the MLAs

ucceed in getting those officials interested in their areas. At any rate, t is never feasible to meet the demands of all the Districts/areas, in the natter of an adequate spread of such schemes, mainly on account of the onstraint of resources. Under these circumstances, however much he State Government may try, no Plan will satisfy the local people in ntirety since it will not fulfil all the felt-needs of the locality/area. On the other hand, if planning from below (that is, the formulation of chemes according to the developmental needs of the District/Block nd working out the cost composition thereof, etc.) is attempted, the sum otal thus making the State Plan will far exceed the available resources nd an almost impossible situation will emerge, difficult to manage, as as the experience at the time of framing the Second Five Year Plan hen such an attempt was made, only to be abandoned. A 'via media' hat may be suggested here relates to a combination of planning from up and planning from below, leaving a gap in between, which can be lled up over two or three or more Plan periods, or earlier as the resources become available. In other words, the present method of State lanning and its breakup among Districts/areas may be continued, with hatever modifications are necessary in the light of the past experience to incorporate any local thinking but in addition, a untied sum, ay Rupees one lakh per Block per annum, may be earmarked to fill the aps in planning, as it were, according to the felt-needs of that Block; his sum will be utilized by the Block Samiti, with the advice of the epartmental officers concerned. As an example, a particular Block ay feel that the State annual plan should have provided a fruit plant ursery since its need was most urgent; in such a situation, it should be ossible for that Block Samiti to go in for a fruit-nursery out of the ntied funds, the unspent portion of which would lapse to the State reasury at the end of the year automatically.

POINTS FOR PLAN IMPLEMENTATION

eed for a Rapport between the Political Leaders and the Services at tate Government Level

It is rather unfortunate that a genuine rapport between the political aders and the services, at the State Government level particularly, eems to have become somewhat conspicuous by its absence in the last w years. There is a visible lack of understanding between the two, rhaps more in the matter of approach than in the matter of defining e Social goals, with the result that both do not appear to be operating the same net, as it were, nor comprehending that everything cannot tackled by political means, and all situations are not amenable to ministrative solutions. This results in a sort of emotional gap tween the two.

The point to emphasize here is that such an emotional gap between the political leaders and their instruments, *viz.* the services, is entirely unnecessary. A bit of heart-searching and free and frank exchange of view points should convince both that the welfare of the people, especially in the context of the "Garibi Hatao" campaign on which we are embarking, is equally dear to both the sides, which in fact gives the real justification for existence in their respective positions; this precious goal itself makes it absolutely necessary that the two should get on with the arduous job in a spirit of mutual cooperation, respect and involvelopment, realizing that any schizophrenic tendencies on either side will only spoil the desired effort and put back the common goal. A mutual understanding between the two is a must, if the social goals are to be reached.

It is the author's conviction that a political leader, if he is honest about his goals and is humane in his behaviour, can get the services to work most devotedly towards those goals and be sure of getting the results also. The inherent relationship is such that the services cannot afford to flout the wishes of the political leaders. It will be useful to remember that what can be achieved in an atmosphere of mutual trust and understanding, in the shape of public weal and progress, cannot be sought, much less obtained, when confidence between the employer and the employee is lacking and recrimination prevails.

Stranglehold of the Finance Department

It is almost axiomatic these days that the State Finance Department plays an obstructive role in the formulation and implementation of developmental plans. Its main object is to control and husband the State's financial resources without any element of risk, even if the effort involves delay in the execution of programmes. What with the maze of sanctions, the Finance Department manages to come into the picture at frequent stages somehow or the other, much to the detriment of work and disappointment to the executives-in-charge of the scheme. True, the Finance Department, not being responsible for showing any results on the ground, does not feel concerned if the objections raised by it, in one go or repeatedly, result in postponing the whole programme for some time. It is also quite likely that the Finance Department have a point to urge which may merit reconsideration of the entire or part of the proposal. Allied is the point relating to financial delegations—which would need to be more elaborately defined and enforced; the Finance Department itself may be diffident in relaxing its hold on the existing state of affairs.

The suggestion is that whereas pre-budget scrutiny may be insisted upon by the Finance Department — upto any extent or depth — the Finance Department should not have any reason to interfere with the scheme, once the budget has been voted by the Legislature, unless the expenditure has been exceeded or some gross misappropriation or malfeasance has taken place. Any financial clearance, where necessary, after inclusion of a scheme in budget, need be obtained only from "Internal Finance". This stipulation of a pre-budget scrutiny would compel the administrative Departments to plan out their next year's programme well in advance in all details; such an exercise would naturally need the cooperation of all concerned, including the State Cabinet which will have to desist from 'rushing' the Finance Department at the eleventh hour.

Insofar as Financial (and administrative) delegations are concerned, not only the exercise must be thoroughly gone into, but what is more important, the officers concerned must be made aware of the existence of these delegations and plainly told that a non-use of these delegations would be at their own peril. This, of course, implies a thorough supervision of their work in the field and awarding of timely and adequate punishment to defaulters.

Need for Officer-Oriented Procedures

In the present day administration at the State Government level, the initiative for the disposal of work lies with the Assistant-in-charge and his Section Officer. It is he who is to put up Papers Under Consideration (PUC) to the references, add previous papers and initiate the noting (which usually is a paraphrase of the contents of the PUC) and give his suggestion or solution, etc. This was all right in a static administration of the old regime, but the present needs are different; the work must be done more speedily and in a businesslike manner, for otherwise the economic progress is retarded. It is, therefore, the crying need of the hour that the procedures must be changed and the offices must be run by the officers directly, with their direct initiative, direction and contribution to the solution of problems. As a rule, the noting may commence only at the officer level, the assistance may be there to link papers, diary and despatch them and consign files to the record room etc. The intention certainly is not to dislodge anyone from employment but to make the system more businesslike, speedier and less wasteful. A Project Officer, incharge of a developmental programme, cannot really function with any effect and despatch if the office procedures are not suitably modified.

Need for Incentives for Good Work and Punishment for Bad Work

Gradually, the Government employees in certain categories may be brought under an incentives scheme — more output, more pay — starting with an assured basic minimum wage. The present system of a secure monthly salary irrespective of output or tangible results, etc., has led to laziness, lack of interest/devotion to work and even corruption. Bad work goes unnoticed, certainly it remains unpunished. Even corruption proceedings have lost their sting on account of the laws' delays and paltry punishment. Where then is the deterrent against poor workmanship or the spur to goad one into better and better performance? The present state of motivation among the Government employees will need to be gone into.

CONCLUSION

As already stated, the above mentioned suggestions are by no means all-embracing, though they tend to indicate an unconventional approach. To make the "Garibi Hatao" campaign a success, fresh ground will have to be broken and new methods evolved, to ensure that the objectives are most clearly defined and the executive authority entrusted with their attainment, is not allowed to feel hedged in by unnecessary restrictions and obstructions. After the programme has been defined and the funds provided for it, the executant in the field must be allowed a full play to his initiative and innovation capability, so long as the goal is brought nearer. His 'bonafide' errors of judgement may have to be ignored; he may have to be rewarded for good work and chastized for indifferent performance. It is absolutely necessary, moreover, that so long as he remains on the job, he enjoys and is known to enjoy full confidence of the concerned political leaders. Not only the colleagues and the subordinates but also the people he has to work with, will respond to his suggestions and advances better if that measure of confidence is available. The more interest the political leaders evince in his work, the more success in the field will be forthcoming.

Others connected with the "Garibi Hatao" campaign having wider experience, theoretical and practical, may arrive at entirely different conclusions and suggest other remedies. By all means. The basic minimum requirements of the programme and its implementation will, however, remain undisputed. We have got to get on with producing more and more; developing and making the best of our local available resources and endowments; we have got to create conditions and refurbish our methods of working in a manner that will make the

administrative machine operate more speedily; we have to encourage the exercise of individual initiative and innovation capability; we would need to praise and reward good work and come heavily on lazy malingerers; last but not least, we must enforce discipline whether among the services, or in labour or in our political parties. In short, every Indian must be made to do his best for the country in whatever field he earns his living.

If the foregoing suggestions can help in any way to make the "Garibi Hatao" campaign a success, the author will feel amply rewarded, in the satisfaction that the lessons learnt by him, while operating on a smaller canvas at the State Government level, were adopted for application to a national cause and in a larger field.

A STUDY OF SOCIAL BACKGROUND AND RECRUITMENT PROCESS OF LOCAL POLITICAL DECISION-MAKERS IN TAIWAN

Kuo-Wei Lee

THIS article attempts to survey the social background and recruitment process of political decision-makers in the local government in Taiwan during the period 1950 to 1968.* Hence, first of all, the formal structure of the local government and the history of elections will be briefly described. Next, the study will focus on the social backgrounds of political decision-makers elected from various elections. Finally, the recruiting process will be discussed. This study may provide a foundation for a better understanding of local political phenomena in Taiwan.

STRUCTURE OF LOCAL GOVERNMENT AND ELECTIONS

According to the 1946 Chinese Constitution, the provincial government is the highest administrative unit of local government, under which there are a number of county (*hsien*) and city (*shih*) governments. The Taiwan Provincial government was established on May 6, 1947, replacing the former Governor-General's Office, and was based on the Provisions of the 1946 Constitution and the revised Organic law of the Provinial Government of March 23, 1931. The executive branch consists of a strong governor, who is recommended by the Executive Yuan and appointed by the President of the Republic, and the administration. Administrative functions are grouped into departments (civil affairs, finance, reconstruction, education, agriculture, bureaus, and offices). Although a popularly elected governor has long been demanded by Taiwanese, the governorship has been, from the very beginning, under the control of the Kuomintang (KMT). During the past two decades, half of the eight governors have been military generals as is shown in Table 1.

In view of the threat of the Chinese Communists, it does not seem likely that the Kuomintang will turn over the selection of governor to popular vote in the near future.

* Sources of data are drawn mainly from statistics published by the government, unpublished documents of the Kuomintang, newspapers, journals, and personal participation and observations.

Table 1

Governors, 1947-1972

Name of the Governor	*Tenure*	*Party Affilia-tion*	*Highest Educational Institution Attended*
Wei Tao-Ming	May 1947—Jan. 1949	KMT	Paris Univ., France
Chen Cheng*	Jan. 1949—Dec. 1949	KMT	Paoting Military Academy, China
K. C. Wu	Dec. 1949—Apr. 1953	KMT	Princeton Univ., U.S.A.
). K. Yui	Apr. 1953—June 1954	KMT	St. John's Univ., China
:. K. Yen	June 1954—Aug. 1957	KMT	St. John's Univ., China
how Chih-jou*	Aug. 1957—Dec. 1962	KMT	Paoting Military Academy, China
lung Chieh*	Dec. 1962—June 1969	KMT	Whampao Military Academy, China
hen Ta-ching*	June 1969 -	KMT	Whampao Military Academy, China

* Military general.

The Provincial Assembly, the law-making branch, was first established on December 11, 1951, to replace the former Provincial Council. consisted of 59 members elected by the members of the county and ty councils. Because of its provisional status and its limited power, functioned as a rubber stamp for the governor rather than as a lawaking body. Not until the promulgation of the Organic Law of the aiwan Provincial Assembly on August 24, 1959, was the Assembly's ovisional status removed and since then, it has become the first Taiwan rovincial Assembly with enlarged functions and powers.* Today, is composed of 73 members, elected by popular vote according to the roportion of population in the counties and cities. Special quotas, owever, are reserved for females and aborigines. Each member

* Among others, the most important power of the Assembly over the executive anch is to approve the executive budget and the administrative audit reports. So far, executive budget has been seriously challenged by the Assembly.

serves a four-year term and is eligible for re-election. The Assembly has a speaker and a deputy speaker; both are elected at the beginning of the session from among the members of the Assembly. Because of their prestige and power, the election of the speaker and the deputy speaker usually involves a spirited campaign among the members of the Assembly. A person who has the blessing of the Kuomintang is usually elected.

There were originally eight counties and nine cities in Taiwan. Because of the great discrepancies which existed in size, population, and economic resources among the various administrative areas, they were redivided into 16 counties and five cities in 1950 so that they could meet the changing local needs. Each county is divided into a number of townships (*chen*) and villages (*hsiang*), which are further divided into precincts (*li*) and hamlets (*ts'un*). Each city is divided into a number of boroughs (*ch'u*) which are further divided into a number of precincts (*li*). Under the *li* and *ts'un* is the *lin* (neighbourhood) which is composed of households. These administrative units were not changed until 1967 when one of the cities—Taipei—was promoted to the status of municipality under the direct supervision of the National Government.

The county and city governments are under the jurisdiction of the Provincial Government. They can engage themselves only in those activities for which they have statutory authority. The county government is headed by a magistrate and the city government by a mayor. The magistrate and the mayor are elected by direct popular vote for a four-year term and are eligible for a second term. While they are responsible to the county and city councils for their administrative works, they are subject to recall only by the people.*

The county and city councils are the policy-making bodies. The councillors are elected by direct popular vote for a four-year term and are eligible for re-election. Special quotas are reserved for females and aborigines. The councillors may also be recalled by the people.

Popular election for local government can be traced back to the date of July 2, 1950, for the Hualien county council. It was then

* Although none of those elected officers has been recalled by the people during the past decades, a number of them have been debarred from functions for a time by the Courts because of corruption. Their respective names were, such as the Taipei city mayor Huang in 1960, the Kaohsiung county magistrate Yu in 1961, the Pingtung county magistrate Hsu in 1961, the Chiayi county magistrate Huang in 1963, and the Taichung city mayor Chang in 1967. See [illegible] ([illegible] Weekly, published in Hong Kong), No. 1056, December 23, 1967, p. 14.

followed by the popular elections of other county councils, county magistrates and city mayors in the same year. Popular elections for provincial assemblymen was not conducted until April 18, 1954, when the National government felt sure of political safety and ordered the change from the indirect election method of the second session of the then temporary provincial assembly to direct popular election. The term of the office has also been changed, first, from two to three years, then to a four-year term in 1963. The term for county councillor is three years. The term for the county magistrate and city mayor has, since 1960, been changed from three years to four years. From 1950 to 1968, there have been five elections for provincial assembly (1954, 1957, 1960, 1963 and 1968); six elections of county magistrates and city mayors (1950, 1954, 1957, 1960, 1964, and 1968); seven elections of county and city councils (1950, 1952, 1955, 1957, 1961, 1964, and 1968); and several election for the townships, villages, boroughs and precincts.

SOCIAL BACKGROUND OF LOCAL POLITICAL DECISION-MAKERS

Because adequate data is not available about elections of townships, villages, boroughs and precincts, the (following) study in this section will be limited to the assemblymen, councillors, magistrates and mayors elected during 1950 to 1968.*

Native Place

There is criticism about insufficient representation of the Taiwanese in the governmental organizations, which are reported to be the monopoly of the Mainlanders. As far as local government is concerned, available data shows that the Taiwanese, not the Mainlanders, control both vertically and horizontally the local government at all levels.

In each Provincial Assembly, more than 90 per cent of its membership is recruited from the Taiwanese. The figure has ranged from a low of 90.91 per cent to a high of 98.2 per cent. Table 2 shows the native place of members in the Assembly since 1954.

The same pattern is found in the county and city councils (*see* Table 3). The highest figure of the Taiwanese was 96.05 per cent in 1950, and the lowest, 87.98 per cent, in 1964. The present percentage of Taiwanese is 89.26 per cent as compared to the Mainlanders' 10.74.

The significant aspect of the Table 3 is that since 1961, the Mainlanders have maintained more than 10 per cent of the membership.

* This does not cover the 1969 election of the Taipei Municipality. Taipei was promoted to a municipality in 1967. Its mayor is appointed by the National Government, instead of being elected by popular vote.

Table 2

Native Place of Assemblymen, 1954-1968

Year of Election	*Total*	*Taiwanese*	*Mainlanders*
1954	57	56(98.20%)	1(1.80%)
1957	66	60(90.91%)	6(9.09%)
1960	73	68(93.15%)	5(6.85%)
1963	74	68(91.89%)	6(8.11%)
1968	71	67(94.36%)	4(5.64%)

Source: Computed from tables in *Local Self-Government in Taiwan*, compiled by the Committee on Local Self-Government in Taiwan, Taipei, in November, 1965, pp. 257, 273, 300, 317, and Table II in *General Report on 1968 Local Government Elections in Taiwan*, prepared solely for the party by KMT Taiwan Province Committee in June, 1968, p. 43.

Table 3

Native Place of County and City Councillors, 1950-1968

Year of Election	*Total*	*Taiwanese*	*Mainlanders*
1950	814	790(96.05%)	24(2.95%)
1952	860	806(93.70%)	54(6.30%)
1955	928	840(91.59%)	78(8.41%)
1957	1025	923(90.05%)	102(9.95%)
1961	929	836(90.02%)	93(10.01%)
1964	907	789(87.98%)	109(12.02%)
1968	847	756(89.26%)	91(10.74%)

Source: Computed from tables in *Local Self-Government in Taiwan*, *op. cit.*, pp. 457, 473, 490, 507, 523, [illegible], and Table I in *General Report on 1968 Local Government Elections in Taiwan*, *op. cit.*, p. 22.

However, in the election of the county magistrates and city mayors, the figure for the Mainlanders has, since 1961, dropped to only one (see Table 4). The mayorship of Penghu county, consisting of a group of 64 islands lying to the west of the mainland Taiwan, has always been controlled by the Mainlanders. Because of its strategic military location, KMT Mainlanders have built a political stronghold there since the first election in 1950.

Table 4

Native Place of County Magistrates and City Mayors, 1950-1968

Year of Election	*Total*	*Taiwanese*	*Mainlanders*
1950	21	18	3
1954	21	19	2
1957	21	18	3
1960	21	20	1
1964	21	19	1
1968	20	19	1

Source: *Local Self-Government in Taiwan*, *op. cit.*, Tables pp. 407-408. *General Report on 1968 Local Government Elections in Taiwan*, *op. cit.*, Table 9, p. 38.

Education

One of the most striking aspects of the decision-makers at the level of local self-government is their high educational achievement. This can be seen from a comparison of the educational achievement of the decision-makers in local government with the population as a whole in the following Table.

Table 5

Comparison of Educational Achievement of the Assemblymen, Councillors, Magistrates and Mayors (1950-1968) with the 1964 Population as a whole

Class of Decision-Makers		*University & College (per cent)*	*Secondary (per cent)*	*Elementary (per cent)*	*Others (per cent)*
Assemblymen	1950–1968	43	37	10	10
Councillors	1950–1968	21	44	24	11
Magistrates, Mayors	1950–1968	69	17	1.6	11.2
Population as a whole, 1964		2.3	15.3	56	22.8

Source: The figures for the assemblymen, Councillors, magistrates and mayors from 1950 to 1968 are computed from tables in *Local Government in Taiwan*, *op. cit.*, pp. 257, 273, 300, 317, 407-408, 457, 473, 480, 507, 523, 538, and Tables 1, 7, 9 in *General Report on 1968 Local Government Elections in Taiwan*, pp. 22, 28, 38. The figures for the 1964 population are taken from *Household Registration*, prepared by the Provincial Department of Civil Affairs.

The above mentioned data reveals that the assemblymen, the county magistrates, and city mayors are overwhelmingly recruited from the higher educational institutes. Among those who have higher educational background, the majority has attended higher educational institutes in Japan; a dozen had college degrees from the United States; one had attended universities in France and the United States; and many have received their higher education in China (mainland China and Taiwan). The influence of education can be seen from different behaviour patterns: those who have higher education from Japan tend to be more authoritarian-oriented than others, who accept Chinese and Western cultural influences.

If we compare the Assembly with the Council, the percentage of the assemblymen who have higher education increased and those with middle school education decreased in recent elections. Some of our data show that this fact can be accounted for by the consequence of many higher educated councillors after a few years of service in the lower level moving up to a higher level of the local government: assembly, magistrateship or mayorship.

The fast growth of the educational institutes and student enrolment during recent years in Taiwan allows us to predict that the educational achievement of the local political decision-makers will be much higher in near future.

Age Group

The largest group in the council is the 40-49 age group. The next largest group is 30-39. However, one significant aspect is the 50-59 age group which has, among all the age groups, increased from a low of 18.64 per cent in 1955 to a high of 24.21 per cent in 1968. To the contrary, the age group under 39 has made no significant increase.

If we compare the average age of the assemblymen with that of the councillors, the former are older than the latter. In the Assembly, the largest group is the 50-59 age group. The next largest group is 40-49. Among all the age groups, the 60 and over 60 group has increased consistently. In 1968, this group jumped from 16.22 to 29.57 per cent, compared to the 25.76 per cent of the 50-59 group, 14.09 per cent of the 30-39 group, and equal to the 29.57 per cent of the 40-49 age group. The distribution of the 60 and over 60 age group in the 1968 Assembly are: Kuomintang, 19; YCP (Young China Party), 1; and the Independent, 1.[1] This is obviously against the policy of the Kuomintang

[1] *Central Daily News* (Taipei, Taiwan, China), Monday, April 22, 1968, p. 1.

which is said to emphasize the selection of young and new blood. This age group pattern, however, reflects the conservative strength in the local communities. The youth need time to take over.

The age group pattern of the magistrates and mayors is different from the above pattern. The largest group is the 40–49 age group; the next largest group is 50-59. Although the 30–39 age group has increased in recent elections, it is still far behind even the 60 and over 60 age group. This can be seen from Table 6.

Table 6

Age Distribution in the Assembly, Council, Magistrateship and Mayorship, 1950-1968

Class of Decision-Makers	20-29 *per cent*	30-39 *per cent*	40–49 *per cent*	50–59 *per cent*	60 plus *per cent*
Assemblymen		11	32	43	14
Councillors	5	29	41	21	4
Magistrates and Mayors		7	45	32	16

Source: Same as in Table 5.

In general, the age information reveals that the assembly, the magistrateships and mayorships are controlled by the 40–59 age group, while the Council is in the hands of the 30–49 age group.

Occupation

As is shown in Table 7 (*see* p. 235), the largest single occupational group in the Assembly is that of businessmen, which accounts for 31 per cent. The next largest group consists of liberal professionals, who account for 25 per cent. The assemblymen, who are from agricultural occupation represent 18 per cent of the total—a percentage far behind the businessmen and the liberal professional groups. The business group emerged as the largest group with a percentage of 38.03 in 1968, as compared to the liberal professional's 23.94, and agriculture occupation's 21.13. This distribution is, of course, not representative of the occupational distribution of the national work force, which consists of a much larger percentage of farmers.

In the council, the number of councillors with a business background (28 per cent) is roughly the same as those with an agricultural background (27 per cent). Councillors with liberal professional occupation number about 18 per cent.

The above mentioned data shows that the businessmen are over-represented in the assembly and the council. On the other side of the scale, agricultural interests are under-represented. Furthermore, the government service occupation group in the assembly and council has a comparatively lower percentage (in the former, 10, and in the latter, 8). This implies that the majority have had no previous experience in government service.

A contrary pattern is found among the magistrates and mayors: 49 per cent have been in government service; 19 per cent in the business occupations; 20 per cent in liberal professional occupations; and 3 per cent in agriculture. Evidently, the magistrates and the mayors are recruited from those who have had previous experience in government service.

Table 7

Comparison of the Occupation of Assemblymen, Councillors, Magistrates and Mayors (1950-1968) with the 1964 Population by Occupation

Class of Decision-Makers	*Agriculture* per cent	*Business* per cent	*Liberal Professions* per cent	*Government Service* per cent	*Others* per cent
Assemblymen	18	31	25	10	26
Councillors	27	28	18	8	19
Magistrates and Mayors	3	19	20	49	9
1964 population by occupation	54.2	8.9	3.9	7.4	25.3

Source: Same as in Table 5.

These patterns of social backgrounds of the local political decision-makers are related to the recruiting policies of the political parties and the independents.

RECRUITMENT PROCESS FOR LOCAL POLITICAL DECISION-MAKER

The Kuomintang, with its well-organized local branches and its great financial resources, beyond the competition of its opponents, has been constantly criticized by some of the other parties and the independents for monopolizing political recruitment. In reality, the two minor parties have been so split during the past decades that they can hardly challenge the Kuomintang in political recruitment.* Their leaders proceeded cautiously, entering only those elections in which they felt sure of success. No information of their membership and recruiting processes is available except for the fact that their candidates are all drawn from local influential Taiwanese among them many are old faces.

The independents have been the real rival of the Kuomintang. Their candidates are leaders who usually emerged from among the powerful local rival interests; their success depends more on individual political skill and family (including clan) wealth† rather than organization or any political issue. Strength of the KMT, YCP, DSP, and the independents in the Assembly, County and City Council, during the past two decades, can be seen from the Tables to follow.

Table 8 shows that the Kuomintang maintains an all-time high membership record in the Provincial Assembly. The lowest ratio of KMT assemblymen was 79.45 per cent in 1960, while that of the independents was at a high point of 20.55 per cent. So far, the YCP has established a stronghold in Ilan county. The same Taiwanese from the YCP have represented the Ilan constituency in the Assemblies of 1957, 1963, and 1968. For the first time, in the 1968 elections, the Taipei county sent a Taiwanese candidate from the DSP to the Assembly. It seems, thus, that development of a stronger opposition party in the Assembly will take long time.

---

* The Young China Party (YCP) was founded in Paris on December 2, 1923. Following the death of its first chairman, Tseng Chi on May 7, 1951, the party split into two splinter groups. Not until July 1969 was the party unified enough to hold its twelfth National Congress in Taipei. The present leader and the president of the party is Lee Huang.

The leadership problem has also caused a split in the Democratic Socialist Party (DSP) which was established in Shanghai on August 15, 1946. Dr. Carsun Chang was the first chairman of the party. When Dr Chang went to the United States, he designated Hsu Fu-lin as acting chairman. In April 1954, the party split over disputes between Hsu and eight of the ten members of the Central Standing Committee. The two factions reunited the party in September 1957 and elected a presidium. Unfortunately, the party split again after the death of Hsu the following year. On May 11, 1962, the party formed a Reunion Committee and in early November 1969 it held its first National Congress in Taipei. The party is now under collective leadership.

† According to a conservative estimate, it may cost each candidate one million Taiwan dollars (equal to about U.S. $25,000) in each election.

Table 8

Party Affiliation of Assemblymen, 1954-1968

Year of Election	*Total*	*KMT*	*YCP*	*DSP*	*Independents*
1954	57	48(84.20%)	—	—	9(20.00%)
1957	66	53(80.30%)	1(1.52%)	—	12(18.18%)
1960	73	58(79.45%)	—	—	15(20.55%)
1963	74	61(82.43%)	1(1.35%)	—	12(16.22%)
1968	71	61(85.92%)	1(1.41%)	1(1.41%)	8(11.26%)

Source: Computed from tables in *Local Self-Government in Taiwan*, pp. 257, 273, 300, 317, and Table 11 in *General Report on the 1968 Local Government Elections in Taiwan*, p. 43.

In the county and city councils, the Kuomintang membership was challenged by the independents, especially in the elections of 1950, 1952, 1957, and 1961. The KMT, however, has continually controlled their speakerships, except once in 1957 when the Taichung county council speakership and the county magistrateship were captured by the independents. The other two parties are too weak to affect either the strength of Kuomintang or the independents.

Table 9

Party Affiliation of County and City Councillors, 1950-1968

Year of Election	*Total*	*KMT*	*YCP*	*DSP*	*Independents*
1950	814	513(63.02%)	4(0.40 %)		297(36.49%)
1952	860	516(60.00%)		2(0.20%)	342(39.80%)
1955	928	657(70.80%)			271(29.20%)
1957	1,025	657(64.10%)	1(0.09%)		367(35.81%)
1961	929	579(62.32%)	2(0.22%)	1(0.11%)	347(37.35%)
1964	907	670(73.87%)	5(0.55%)	2(0.22%)	230(25.36%)

Source: Computed from tables in *Local Self-Government in Taiwan*, pp. 457, 473, 490, 507, 523, 536, and Table 2 in *General Report on the 1968 Local Government Elections in Taiwan*, p. 24.

What concerns all political parties most are the contests over magistrateships and city mayoralty. Because the magistrate and the city mayor are the chief executives at the lower level of government, they are also the only administrative channel between the provincial government and the lowest level of local administration. In each election, although the Kuomintang planned and prepared carefully, the independents and the DSP have always managed to capture two or three counties or cities. This can be seen from Table 10.

Table 10

Party Affiliation of County Magistrates and City Mayors, 1950-1968

Year of Election	*Total*	*KMT*	*DSP*	*Independents*
1950	21	17	—	4
1954	21	19	—	2
1957	21	20	—	1
1960	21	19	—	2
1964	21	17	1	3
1968	20	17	1	2

Source: Computed from tables in *Local Self-Government in Taiwan*, pp. 407-408, and Table 12 in *General Report on the 1968 Local Government Elections in Taiwan*, p. 52.

The records of the past elections show the most unstable locations to be those large and most prosperous cities along the main north-south railway line. The Democratic Socialist Party unexpectedly captured Keelung city (the best harbour in the North) in 1964, and Kaohsiung city (the best harbour in the South) in 1968.* In the five elections for the Taipei city mayorship, as is shown in Table 11, the [illegible] were able to win three times, twice with the same candidate, namely, Kao Yu-shu.

Because of its politically sensitive position, Taipei was promoted to a municipality in 1967 and Kao was appointed by the National Government as the new mayor. Although Taipei mayorship has been removed from political contest, Kao's past two terms have demonstrated that [illegible]

* [illegible] Young Kin-[illegible], the Kaohsiung city [illegible] in [illegible] [illegible] defeats (1954, 1957, and 1960).

Table 11

Elections of Taipei Mayer, 1950-1964

Year of Election	*No. of Candidates**	*Qualified Voters*	*Votes Cast*	*Ratio of Actual Voters to Qualified Electorate*	*Winner and Party Affiliation*
1950	7	2,57,849	1,43,344	55.59	Woo, S. L. (Ind.)
1954	2	3,26,801	2,14,741	65.71	Kao Yu-shu (Ind.)
1957	3	3,76,870	3,70,668	81.64	Huang Chi-juei (KMT)
1960	2	4,27,041	2,92,966	68.60	Huang Chi-juei (KMT)
1964	5	5,16,761	3,79,538	73.45	Kao Yu-shu (Ind.)

*All candidates were Taiwanese. In 1950, among the seven candidates were Woo S. L. and Kao Yu-shu, both independents. No candidate was nominated by KMT. However, Woo has had the support from KMT. In 1954, Wang Ming-ning, a KMT nomineer, was defeated by Kao. In 1957, there were three candidates, namely, Lin Chin-an, an independent, Kao Yu-shu, and Huang Chi-juei a KMT nominee. In 1960, there were two candidates, namely, Lin Chin-an and Huang Chi-juei. Huang was re-elected. In 1964, a KMT nominee was defeated by Kao

Source: Computed from tables in *Local Self-Government in Taiwan*, pp. 411, 415, 418, 421, 424.

KMT political power could be challenged even in an economic and political centre.

In order to strengthen its political control, the KMT has, since 1951,* constantly improved its recruitment policy and procedures. The present recruitment system includes four stages: first, registration as a candidate by individual members in the county party organ; second, checking the qualifications of the registered members by the provincial party authority; third, popular direct secret vote by party members on a list of qualified candidates based on rather ambiguous criteria, such as reputation, party service, and social relations; and fourth, nomination by the central party authority of candidates based solely on the outcome of the vote of the local party members taken in the third stage. Because of free competition among members during the nomination stage, conflicts between candidates are exposed; hostility and enmity are also

* During the [illegible] elections, candidates from KMT did their own campaigning and [illegible]. This happened because the party was busy with its own reform and the reorganization of its party machinery, at all levels.

created between competitors. The party authority realized this fact and changed the procedure of the third stage by requiring party members at their local meetings to reflect their opinion by voting on a prepared candidate list which is recorded and used by the highest authority as a reference instead of as the only determinant in making the final nomination. The party also decided to use three different methods to meet different local political situations. The party would nominate candidates for all the official positions when a tough competitive force is expected from that constituency; nomination would be made for part of the official positions when the candidates from the opponent are acceptable to the party; and a free competition would be encouraged when there is no strong challenge from an opponent.

This change seemed to work quite well until the party was disturbed by the outcome of the 1964 elections for the county magistrates and city mayors. Among the Kuomintang's 17 nominees, four were defeated by the candidates from the independents and the DSP. To the contrary, the other four Kuomintang members who were not nominated by the party won beautifully in their free competition constituencies. Because the highest party was upset, a thorough review of the nomination system and campaign policy were carried out by the highest authority. New policy emphasizes the recruitment of more competent and younger "new faces" and long range campaign planning. Meanwhile, during the period between August and October, 1967, party secretaries and cadres from county and city party organs were summoned to Taipei for a short period of training; and about 7,540 local cell leaders were grouped in different locations for a short period of training. Although the party had such a long time to plan and mobilized more than 200,000 members during the campaign; and although the highest party authority had sent its high ranking members down to the local levels for closer survey and spot-checking before its final nomination, the Kuomintang won only 17 out of the 20 county magistrateships and city mayorships in the 1968 election.[8] Among the other three, Hsienchu county magistrateship and Taichung city mayorship were won by the independents; Kaohsiung city was won by the DSP. Table 12 shows the results of the Kuomintang's nomination system.

This data shows that no constituency is safe for the candidates from the Kuomintang, which nominated all of the candidates for all of the positions, except in the elections of 1950 and 1964. Compared to this, the Kuomintang has more confidence in the elections of assemblymen, as is shown in Table 13.

---

[8] Figures in this paragraph are taken from *General Report on the 1968 Local Self-Government Elections in Taiwan*, pp. 3, 11.

Table 12

Results of KMT Nomination for the Elections of Magistrate and Mayor, 1950-1968

Year of Election	*KMT Nominees*	*Number Elected*	*Number Defeated*	*Total Number for Election*
1950	14	11(78%)	3(22%)	21
1954	21	19(91%)	2(9%)	21
1957	21	20(95%)	1(5%)	21
1960	21	19(91%)	2(9%)	21
1964	17	13(77%)	4(23%)	21
1968	20	17(85%)	3(15%)	20

Source: Based on table in *Local Self-Government in Taiwan*, p. 691, and *General Report on 1968 Local Government Elections in Taiwan*, Table 9, p. 38.

Table 13

Results of KMT Nomination for the Elections of Assemblymen, 1957-1968

Year of Election	*KMT Nominees*	*Number Elected*	*Number Defeated*	*Total Number for Election*
1957	54	44(81%)	10(18%)	66
1960	58	53(91%)	5(9%)	73
1963	57	52(91%)	5(9%)	74
1968	60	56(93%)	4(7%)	71

Source: Computed from table in *Local Self-Government in Taiwan*, pp. 68[illegible]-689, and *General Report on 1968 Local Government Elections in Taiwan*, p. 15

With these records, the Kuomintang should be satisfied.* However, the party is frequently disturbed by the rebels who continue to run after losing the party's nomination. Although they have been expelled

*The Party considers it as a victory when 70 per cent of its candidates have been elected.

from the party, some of them have won the elections without the party label. For the 1968 Election, the following data is available.

Table 14

KMT Rebels of 1968 Election

Type of Election	*Number of Rebels*	*Rebels Elected*	*Rebels Defeated*	*Total Number for Election*
Assemblymen	6	—	6	71
Councillors	67	30	37	847
Magistrates and Mayors	7	1	6	20

Source: The figures are based on *General Report in 1968 Local Government Elections in Taiwan*, pp. 7, 35, 40.

Among these cases, was the contest for the Taichung city mayorship. Lin Ting-san, a KMT nominee, was defeated by Lin Cheng-chiu, a party rebel, by a margin of about 10,000 votes (66,706 to 56,819). A third candidate who also was a party rebel won by 3,651 votes. The Lin's case exposed two problems of the KMT recruitment policy: first, how the party could recruit more competent and younger "new faces" without irritating party senior members; second, what strategy should be followed in an uncertain constituency.

The rebellion in the Kuomintang weakens the party, but it benefits the political opponents. Local election, in general, is actually a contest among the local interests for political control over the allocation of values. This is why some Kuomintang nominees, though they have a big party machine behind them, became the victims of a local conflict of interests and local traditional political rivalry. This also explains why the independents are not able to unify themselves and organize into a single opposition party; instead, they fight their own individual battles. An interesting case was the Hsinchu county magistrateship contest between the Kuomintang nominee and the independent in the 1968 election. Hsinchu is one of the big counties in Taiwan. Geographically, it could be divided into three areas: Hsinchu, North Hsinch (both on the north and northwest side), and East Hsinchu (the biggest of the three). Population, however, may be divided into only two

groups according to dialects, namely, "Kacha" (one of the Kwangtun dialects) and south Fuchien dialect. Those who speak the "Kacha" dialect comprise about 32 per cent of the total population; most of them live in the East Hsinchu area. Those who speak the south Fuchien dialect comprise about 53 per cent of the total population and are roughly distributed in the Hsinchu and North Hsinchu areas. Political leadership is divided roughly according to the geographical and linguistic patterns. The leader of the south Fuchien dialect group, which is usually referred to as the "West Hsu", is Hsu Kin-teh. The leader of the "Kacha" dialect group, which is also referred to as the "East Hsu", was Hsu Chen-chien; now it is being led by his surviving widow. Today, the political strength of "West Hsu" is stronger than that of "East Hsu" which, however, still maintains a larger population.

In the 1968 election, when Chu Yu-yen was nominated by the Kuomintang, another party candidate, Chen, was reluctantly withdrawn under the pressure of the party.* Because of the traditional local conflict of interests and personal hatred, it was feared that Chen and the "West Hsu" might switch their support at the crucial point to the independent candidate. The independent candidate was Liu Shu-shen, who was a skilful and unpredictable political campaigner. After the list of candidates for the public offices had been published by the government, Liu made a pubic announcement in all the big newspapers in Taipei that he had been persuaded by the Kuomintang to withdraw from the election and was planning to move out of his present Hsinchu residence. He did apply to the local government for permission to move out, but he also applied to move back soon. During this period, he lived in Taipei. During this time, his wife campaigned vigorously for him. The public was under the impression that Liu had been forced by the authority to leave his residence. Then, dramatically, Liu came back from Taipei a few days before the election and joined the campaign. He won by a margin of 6,609 votes (89,381 to 82,772). The public had been mobilized by both sides to cast their votes but few knew what was really going on behind the scenes.[3]

* Before his nomination, Chu was a section chief at the Ministry of Interior. He graduated from the National Taiwan University, and also received a master's degree from the University of South Carolina, South Carolina, U.S.A. His father has been the Hsinchu city mayor in 1950 and 1954 and was affiliated with the "East Hsu". Chen also graduated from the National Taiwan University and had served one term as assemblyman. Chen was closer to the "West Hsu" and had the support of Peng, the present mayor of Hsinchu city. Chen, however, withdrew reluctantly under the pressure of Hsu Kin-teh who was then the leader of the "West Hsu" and was also the deputy speaker of the Provincial Assembly. It was believed that Hsu's action reflected his conformity to the demand of the highest party authority.

[3]The reports from the *Newsdom*, No. 1058, June 1, 1968, p. 13.

CONCLUSION

The foregoing study suggests that the majority of political decision makers at the local level in Taiwan are recruited from among those Taiwanese who enjoy relatively high social status. The Kuomintang is too powerful as a political recruitment machine to be challenged by the other parties. Although the independents are the strongest competitive rivals of Kuomintang, they suffer from their positions as representatives of various local rival interests. In future, political participation could be more meaningful if one of the remaining parties becomes more competitive.

SOCIAL ASPECTS OF ADMINISTERING TECHNICAL AID PROGRAMMES

H. M. Mathur

TECHNICAL assistance is not a totally new idea. There is enough evidence to suggest that, as a social process, the diffusion of knowledge and skills within and between nations has gone on at all the times. But in its present shape and size, technical assistance is distinctively a post-World War II phenomenon. What surely is new is the confidence that transfer of scientific and technical knowledge across national boundaries can bring quickly tangible economic benefits to the world's poor who outnumber the prosperous by two to one. The United Nations Conference on Science and Technology for Development, held at Geneva in 1962 to make an assessment of the capacity of the existing knowledge to accelerate progress in the developing countries, represents one of the most fascinating developments of the kind in contemporary international affairs.

The process of internationally sharing scientific and technical skills spans practically all the spheres of human activity. Agriculture, because of its overwhelming importance in the developing nations, has been a major focus of most aid programmes. But efforts at improvement through the application of scientific and technical knowledge have equally keenly been directed towards such diverse areas as: fisheries, health, engineering, community development, industry, education, public administration, etc.

The fact that the developing countries can borrow technology without having to experience the difficulties that the industrialized nations faced in perfecting it is a highly important one. This should facilitate their development faster and systematically along pre-determined course. But development perhaps is not a matter of technology alone. The developing countries cannot, as one observer put it, "simply import the industrial revolution from abroad, uncrate it like a piece of machinery, and set it motion".[1] A lot more is involved in technical

[1]Quoted in Edward S. Mason, The Planning of Development, in "Technology and Economic Development", A 'Scientific American' Book, Penguin Books (1965). September 1963 issue of Scientific American.

assistance than mere cross-national transfer of technology and know-how.

If the long distance transportation of technological innovations were all that needed to be arranged, the administration of technical assistance would indeed be a simple enough job. But in by its very nature technical aid meant to benefit peoples in the developing countries must be given through human beings—administrators, engineers, doctors, technicians and other specialists. It is the human factor and not the technological one that is more important here. In fact, the technical assistance in operation is often bedevilled by problems of a sort that have nothing to do with anything technological.

In most of the developmental aid programmes, technological factors alone are rated as of the highest significance. The relevance of the human factor is rarely given sufficient consideration. Much more, therefore, is known today about the technological side of development than its social, cultural and psychological facets. The medical expert, for instance, feels perfectly at home in planning a campaign to stamp out small-pox. But he finds himself quite helpless when the people in many traditional societies hide their children from him rather than get them willingly vaccinated. Specialists in other fields too have often found themselves in similar situations of people resisting programmes specifically directed at their own welfare.

Such problems, peculiar to development work in the developing countries, arise chiefly from the fact that the expert and the people, whom he is supposed to assist represent two divergent cultural systems. The replacement of 'foreign' expert by the 'national' expert perhaps would not automatically lead to resolution of all the difficulties. The position of a foreign expert is not substantially different from that of a national expert. Both are heir to the same educational and scientific tradition, and both seek to promote new ideas of doing things. The gulf separating them may be full-cultural or sub-cultural, but the fact of their being culturally distinguishable remains. In certain matters, there is more in common between an Australian agricultural expert and his Indonesian counterpart than, say, between these two and the people living in Indonesia's rural communities.

The role of these experts in administering technical aid programmes has, for some time past, been the subject of considerable scholarly discussion, and lately there has emerged a great deal of literature in the form of some books and many articles in journals, particularly, of behavioural and social sciences. This has also inspired some of the

novelists, and the popular novel *The Ugly American* in fact deals precisely with this theme. One conclusion all these studies have unanimously come to is that innovations that are attempted to be grafted on to the alien cultures with no regard for local values are unlikely to gain acceptance. Mere good intentions are not enough, as is so aptly remarked by Hugh Tinker, "Good will divorced from realistic understanding can be a boomerang".[3]

Resistance to scientific and technological change is generally found amongst peoples of all the developing countries. Anyone with some experience of work in these places would readily testify to the fact that urge for novelty is not universal. A close look at the traditional society should unveil the reasons for this conservatism. These societies actually are closely-knit, with their own settled ways of life. Any alteration in the existing pattern of relationships that the innovation inevitably involves is likely to be resisted vehemently for this reason. Hierarchical social order may be altered, religious sentiments outraged and customary practices ignored if the forces of change are allowed to gain an upper hand.

Strongest opposition to change comes from those whose vested interests or prestige may be jeopardized by the subsequent course of events. The coming in of the modern medical aid is viewed by the tribal 'shaman' (local 'curer', leech or physician or doctor) as a direct threat to his profession, as also the social esteem in which he has been held traditionally. Apart from this, there are risks in accepting certain innovations which people sometimes are reluctant to take. In case anything goes wrong with the new seed, the subsistence farmer does not simply lose on the experiment; he is financially ruined.

Some obstacles to acceptance of innovation lie in the fact that those responsible for administration of technical aid programmes, particularly at the field level, do not always fully understand nuances of the society in which they work. Their inability to forge effective communication links with the local people is a constant source of grave misunderstandings. All too often, difficulties of this kind, stemming from differences in cultural background, frustrate the outcome of technical aid programmes.

Somehow, it is not adequately realized that the factors affecting the success or failure of the technical aid operations are essentially social. New technology does not work all by itself. It is the human

---

[3] Hugh Tinker, "The Human Factor in Foreign Aid", *Pacific Affairs*, Vol. XXXII, No. 3 (September, 1959).

beings who put it to use for their benefit. Until people are both willing and able to adjust themselves to behavioural changes that the innovation necessarily entails, there is little chance of promotional efforts making any significant impact. Satisfactory adjustment implies a mental state in which one gets accustomed to doing things in the new way without losing the sense of satisfaction provided only by the old manner of life. Adjustment to technical change is obviously a slow and difficult process.

Any attempt to transplant the innovation in the traditional society immediately triggers off a process of culture change. Culture is not a mere acccumulation of elements—diverse, unrelated and accidental. Rather it is an integrated whole expressing a certain way of life that is common to all the members of the society which produced that culture. In traditional cultures, where social relationships are firmly fixed and approved forms of behaviour well established, each innovation tends to provoke a chain reaction of additional changes. New technological processes and equipment, to become acceptable, require corresponding changes in social practices and institutions to be effected simultaneously.

While traditional cultures undoubtedly are resistant to innovations, it would not be correct to assume that they are 'changeless' altogether. No culture is known to have firmly set its face against all change for all time. Both continuity and change are essential elements of human culture. It is, however, true that changes that the traditional society hosts usually are of a kind that cause least disturbance to the existing cultural fabric. Also, the changes there occur relatively slowly. Two many rapid changes are likely to arouse some suspicion.

How should, then, an aid expert go about getting the people in his charge interested in trying new ideas, planting a new crop, using new tools and new techniques? Can something be done to adapt the traditional social structure to the demands of the technological change in such a way that people whose ways of life are being transformed feel no loss of their cherished values? These are the kind of questions that now loom large on the research agenda of contemporary social science.

Amongst a pretty large variety of peoples in Asia, Africa, Oceania and South America, the anthropologists have long been working and living cheek by jowl. With years of their experience they feel they have built up the kind of expertise that administrators of aid programmes should seek to guide their efforts. The knowledge of the existing societies and cultures that the anthropologists possess usually is of very

considerable importance. The pattern of traditional life is one factor in the culture change equation. Failure to grasp the true significance of this factor cannot be expected to promote full understanding of the equation.

It is perhaps in recognition of the value of social science research on problems of culture change that UNESCO in the fairly early stages of the growth of technical assistance set up a committee of experts to recommend principles that aid administrators should follow in inducing change. The conclusions of this committee headed by the distinguished anthropologist Margaret Mead have greatly influenced technical assistance efforts ever since.[3] In 1955, UNESCO also sponsored the production of a manual for the benefit of the technical assistance experts. Again, it was Margaret Mead who edited this well-known book.[4]

The administrative problems connected with the rendering of technical assistance have, in recent years, been given further consideration by an international research institution whose activities are chiefly concerned with understanding the process of social development. A survey conducted a few years ago by this United Nations Research Institute for Social Development sought the views of 445 experts (including 119 'national' experts) engaged in technical assistance work in 13 developing countries chosen to provide a wide range of conditions. They were specifically asked to extract from their years of experience in technical assistance administration certain broad principles that they thought helped in successfully executing the aid projects. By this research on experts, much useful knowledge on the change process has accumulated. The findings of this survey have also been brought out in a book form.[5]

On the basis of their studies and also direct involvement in technical assistance programmes, many anthropologists and other social scientists have suggested guidelines that should be extremely useful to the administrators in such assignments. The names of Spicer, Foster, Erasmus, Arensberg and Nichoff deserve to be particularly mentioned

---

[3] The report entitled, "UNESCO and the Social Consequences of Technological Change", in *International Social Science Bulletin* (now *International Social Science Journal*) [Paris, UNESCO, Vol IV, No. 2, Summer 1952], contains the main conclusions of this Committee.

[4] Margaret Mead, *Cultural Patterns and Technical Change*, Paris, UNESCO, 1955.

[5] Herbert H. Hyman, Gene N. Levine and Charles R. Wright, *Inducing Social Change in Developing Countries: An International Survey of Expert Advice*, Geneva, United Nations Research Institute for Social Development, April, 1967.

in this connection.[6] Two such studies by Fraser and Sperling dealing with problems of technical assistance in the Indian context, published recently, are also worth noting here.[7]

What guidelines these studies offer to the administrators of the technical aid programmes? These can only be briefly summarized here.

Of fundamental importance to successful technical assistance is the knowledge of the culture being transformed. An aid expert moving into a new culture to take up his job must at the very outset try and acquire some knowledge of the elements constituting that culture. This is necessary both to enable him to do his job effectively and to avoid doing harm to the local culture through ignorance. He needs to know how the elements of that culture—economic, religious, technological, political, etc., are related to one another and constitute an integrated whole. He must learn something about the social organization and the value system, devoting particular attention to the character of community organization, nature of permissible joint cooperative efforts, the structure of prevailing political and administrative machinery, and the role and importance of the leadership. The expert must know what the existing channels of communication are and how great and of what kind are the influences and pressures that operate there. He should become conversant with local prejudices and modes of thinking, habits, and attitudes, customs and mores, taboos and religious sentiments. This knowledge should help the expert a good deal in anticipating circumstances favourable to the adoption of the innovation and obstacles to be overcome, in foreseeing the likely repercussions of his action, and in choosing a course of action that might lead to greater successes.

Understanding the cultural situation in all its ramifications is a step preliminary to the more important task of adopting an appropriate strategy for stimulating change. All societies, it is now understood, are in a perpetual state of relative tension. In any society, there are present all the time two kinds of forces: one, that favour change, and the other, that resist change. These opposing forces are always

[6] The books by these authors, to be particularly noted, are: Edward H. Spicer, *Human Problems in Technological Change*, New York, 1952; George M. Foster, *Traditional Cultures and the Impact of Technological Change*, New York, 1962; Charles J. Erasmus, *Man Takes Control: Cultural Development and American Aid*, Minneapolis, University of Minnesota Press, 1961; and Conrad M. Arensberg and Arthur H. Niehoff, *Introducing Social Change: A Manual for Americans Overseas*, Chicago, 1964.

[7] Thomas M. Fraser, Jr. and Associates, *Culture and Change in India: The Barpali Experiment*, The University of Massachusetts Press, 1968. Jan Bodo Sperling, *The Human Dimension of Technical Assistance: The German Experience at Rourkela, India*, Ithaca, 1969.

in conflict with each other, each trying to gain control at the expense of the other. Depending on which force at a particular time is more dominant, the society is relatively slow changing or prone to innovations. The fact that the rate of culture change is never the same in any society implies that the future of these forces is always in a state of flux.

Those involved in technical aid programmes must understand these forces in order to be able to select a suitable *modus operandi* for inducing change. As Foster says, "The most successful guided technological development occurs when program planners and technical specialists are aware of the struggle between the forces for change and the forces for stability found in all cultures. Not only must the presence of the forces be recognized, but in a specific situation they must be identified and related one to another. The strategy of promoting change is then relatively simple - in theory. The strength of the conservative forces must be weakened, or their results neutralized, while simultaneously the change forces must be strengthened."*

A knowledge of psychological motivations is fundamental to planned change. The motivations for change often arise from a complex set of needs, desires, interests, obligations, values, and willingness to learn. But motivations alone cannot induce change. To be acceptable, the innovation must fit into the local social, cultural, and ideological value system. People very much resist being forced to change. And, therefore, nothing should ever be done that might give rise to such apprehensions. As far as possible, innovations should be introduced gradually with the fullest possible participation and consent of the people and in ways that are familiar and acceptable to them.

Experience gained in all these years shows that each technical assistance project confronting a highly specific set of local conditions is quite unique. It is, therefore, not possible to lay down guidelines for aid experts except in very general terms. But the knowledge of the local culture should enable the expert to identify the change process that was likely to succeed in that setting and to further it along smoothly.

In a paper presented to the United Nations Conference on Science and Technology for Development (1962), one scholar from the Netherlands raised the question whether, as part of the strategy of stimulating technological change, a list could be drawn of character traits conducive

* George M. Foster, *Traditional Cultures and the Impact of Technological Change*, New York, 1962.

to successful life in a technologically advanced country, and whether an honest effort could then be directed towards cultivating these traits in the personality of the peoples of the developing nations. The question was answered in the negative, and for culturally valid reasons. It was felt that such a list of cultural traits would be weighted all in favour of the Western society and the eventual scheme might well turn out to be one of total Westernization. There were many who were not sure that the seemingly desirable character traits in western cultural personality could also usefully be grafted on the peoples of totally different cultures. The consensus that emerged favoured development of these areas on the basis of existing cultural reality and in terms of their specific local problems.

In most of the technical assistance operations, it is usual to attach greater importance to the expert's technical virtuosity rather than his ability in gaining acceptance of the proposed change. The realization is now growing that for an expert, working in developing countries, technical competence in his profession is as important as the task of bringing innovative spirit into that society. His performance must, therefore, be evaluated not in terms of the number of projects inaugurated or completed, but the number of techniques learnt and put to use by his counterparts. A really competent expert must know how best his scientific know-how can be adapted to fit into the local cultural pattern.

Technical experts of various kinds working to 'better the lives' of peoples in the developing countries are professionally competent. Yet, the achievements of certain development programmes seem to be not measuring up to the levels desired. Reasons for this failure are now being better understood. The developmental tasks in the cultural context of these countries cannot be performed efficiently by the unimaginative application of techniques that originally developed in the industrialized nations. The experts clearly need to be introduced to the study of developmental change from a socio-cultural point of view. 'National' experts need to know about the cultural facts no less than 'foreign' ones.

Don Adams narrates an oriental fable to illustrate the plight of a foreign educational adviser who was deficient in his knowledge of the local culture. The story is: "Once upon a time there was a great flood, and involved in this flood were two creatures, a monkey and a fish. The monkey, being agile and experienced, was lucky enough to scramble up a tree and to escape the raging waters. As he looked down from his safe perch, he saw the poor fish struggling against the

swift current. With the very best of intentions, he reached down and lifted the fish from the water. The result was inevitable." Continues Don Adams, "The educational adviser, unless he is a careful student of his own culture and the culture in which he works, will be acting much like the monkey; and with the same laudable intentions, he may make decisions equally disastrous . . . ."[9] Surely, the story has a lesson that all those involved in technical assistance administration will do well to learn.

---

9 Don Adams, "The Monkey and the Fish: Cultural Pitfalls of an Educational Adviser", *International Development Review*, Vol. 2, No. 2 ([illegible]).

ORGANIZATIONAL ANALYSIS OF PANCHAYATI RAJ INSTITUTIONS IN INDIA

*S. N. Dubey**

"Democratic decentralization" popularly known as "Panchayati Raj" has historical, ideological and organizational relationship with community development programme.[1] The community development is a national programme; and covers the entire rural population which comprises over 75 per cent of the total Indian population. The present shape of the programme has evolved through several phases. The first began with opening of 15 pilot projects in various states in India. The second was the establishment of 55 community development projects on October 2, 1952. The third phase commenced with the initiation of National Extension Service in October, 1953.[2] The number of blocks went on increasing from year to year, and by October, 1967, the total number of blocks reached 5,265.[3] The goals of the community development programme can be summarized as follows: (*i*) to increase substantially the agricultural production in the country, improve nation's communication system, health and hygiene, and promote education in villages; and (*ii*) to generate and direct a process of integrated social, economic and cultural change with the ultimate aim of transforming social and economic life in the villages.[4] Though the official machinery was created to guide and assist the planning and the implementation of the programme, the main responsibility for improving the socio-economic conditions in the village was to rest with the people themselves. It was argued that unless people considered community development as theirs, and valued it as a practical contribution to their own welfare, no substantial result could be gained. Consequently, the people's participation in the planning and the execution of the programme was considered a vital aspect of community development

* The author gratefully acknowledges the help of *Dr. M. S. Gore* and *Smt. Usha Mathur* (both of the Tata Institute of Social Sciences, Bombay) for their many helpful and valuable comments on the article.

[1] S. K. Dey, "Faith in Panchayati Raj", *Kurukshetra*, Vol. 9, pp. 4-16.

[2] S. C. Dube, "Bureaucracy and Economic Development", *The Indian Journal of Public Administration*, Vol. 12, pp. 343-51.

[3] Rajeshwar Dayal, *Panchayati Raj in India*, Delhi, Metropolitan, 1970, p. 6.

[4] S. N. Dubey, "Organizational Tension in the Community Development Blocks of India", *Human Organization*, Vol. 28, p. 65.

nd was sought by setting up of project advisory committees consisting f non-officials in project areas.[5]

The programme, however, failed to involve the people in the lanning and implementation of the programme. It was noticed that he community development programme, instead of being people's rogramme with government's assistance, was becoming more and nore government's programme with varying degrees of people's partiipation.[6] The block advisory committees, created to enlist popular upport and participation in the programme lacked capacity vitality nd power to represent people's points of view.[7] The village panchayats vere also found weak and ineffective to mobilize the masses in support f the programme. Besides, in most of the states, there was no organiztion at the block level to represent the people's will.[8]

It was under these circumstances that the National Development Council constituted a Committee on Plan Projects which appointed a tudy Team for Community Projects and National Extension Service n 1957 headed by Balwantray Mehta to assess, along with other things, he extent to which community development programme has succeeded n utilizing local initiative and in creating institutions to ensure a ontinuity in the process of socio-economic change[9] The Team oncluded that the popular participation in the community developnent programme enlisted through *ad hoc* advisory bodies was not dequate, and a separate set of institutional arrangement would have to e statutorily created to make the participation meaningful and effective. he team suggested a three-tier system of institutional arrangement, amely, *the village panchayat, the panchayat samiti*, and *the zilla arishad*, and recommended that the entire development work should e transferred to these bodies.[10]

THE RATIONALES FOR PANCHAYATI RAJ

Three basic rationales* can be identified for the creation of anchayati raj institutions as follows.

[5] Planning Commission, *First Five Year Plan*, Delhi, Manager of Publications, overnment of India, 1952.

[6] Rajeshwar Dayal, *op. cit.*

[7] R. Maheshwari, *Studies in Panchayati Raj*, Delhi, Metropolitan, 1963, p. 8.

[8] *Ibid.*, p. 9.

[9] Committee on Plan Projects, *Report*, New Delhi, 1957.

[10] *Ibid.*, pp. 7-16.

* The similar rationales have been advanced for the "maximum feasible participation the poor" in the Community Action Programme in the United States which has been [illegible] to bring about a rapid social and economic development of disadvantaged [illegible] (Sumati N. Dubey, "Participation in the Community Action Programme: [illegible] and Confusion", *Social Work*, Vol. 15 (1970), pp. 76-84).

1. *To make community development programmes relevant to th needs, and problems of the people.* One of the criticisms of the com munity development programmes is that a large number of programm were organized in rural areas without due regard to the needs, interes and life-style of the rural population. In other words, lacking in bas involvement of the people, programmes were found generally inappro priate, fragmented and unsuitable to the life-style of villagers. Conse quently, some of the programmes failed to make any lasting and positiv impact on the condition of poverty; and a majority of the villager remained poor living in an atmosphere of apathy.[11]

It was, therefore, considered important to involve the rura population in the programme in order to obtain a realistic perspectiv on the appropriateness and effectiveness of community developmen programme—a perspective free from biases stemming from conside rations of careerism and public relation needs of departments and thei personnel. It was argued that the villagers were in the best position t define their own needs. The Study Team consequently observed tha "so long as we do not discover or create a representative and democrati institution which will supply the local interest, supervision and car necessary to ensure that expenditure of money upon local project conforms with the needs and wishes of the locality, invest it with ade quate power and assign to it appropriate finances, we will never be abl to evoke local interest and excite local initiative in the field of develop ment".[12]

2. *To transfer decision-making authority to villagers regardin developmental work.* One of the rationales of panchayati raj is t transfer decision-making authority to villagers and their elected bodie regarding developmental matters. Though the Second Five Year Plan stressed the need for creating within the district a well organized demo cratic structure of administration in which village panchayats woul be organically linked with popularly elected organizations, such a district boards, whose functions would include the entire genera administration and development of the area, administration of justice and certain functions pertaining to the revenue administration, the district boards had neither the tradition nor the resources to take u this work. They had also been handicapped by having too large a charge to receive their detailed attention. The chairman and member of the district boards were not in a position to give any considerabl portion of their time to the affairs of such a vast area. The very siz of its charge, therefore, necessitated the delegation of a very large are

[11] R. W. Poston, *Democracy Speaks Many Tongues*, New York, Harper & Row, 19
[12] Committee on Plan Projects, *op. cit.*, p. 5.

of authority and discretion to its own officers, the effect of which was to replace state officers drawn from larger cadres by officers of limited experience in restricted fields. Further, the linking of village panchayats directly with the district boards was not easy and practical since a district consisted of hundreds of village panchayats. The block advisory committees generally appointed to represent people's perspective in the community development programme did not have enough powers and authority to make decisions on developmental matters of their areas. The district planning committees were further powerless and ineffective. The Study Team, therefore, recommended a single representative institution, called panchayat samiti, to take charge of all aspects of developmental work in the block area. The panchayat samiti was recommended as a statutory and elective body with comprehensive functions in the area of development and with authority and sources to discharge these functions.[13] Thus, panchayati raj institutions seem to be designed to create a power base for the people in rural areas by providing them control over programmes, funds, jobs, information and by granting them legal, constitutional, and official status.*

3. *Value of Participatory Democracy.* India is one of the largest democracies in the world. Panchayati raj is considered a foundation of participatory democracy in India. Jayaprakash Narayan, one of the well-known leaders of Indian democracy, observed that it is a matter of great satisfaction that in our country a beginning has already been made in laying the foundation of participative democracy in the shape of panchayati raj or what was called at first "democratic decentralization".[14] S. K. Dey pointed out that, in panchayati raj system, the people of India would govern themselves through their representatives in institutions from the panchayat to parliament and thus the democracy would travel from Lok Sabha to Gram Sabha. Panchayati raj thus reflects the concept of inter-connected democracy from the Gram Sabha to Lok Sabha.[15]

---

[13] Committee on Plan Projects, *op. cit.*, p. 67.

* Banfield observes that concerted action for any purpose necessitates creation of more or less elaborate system of influence and power (Edward C. Banfield, *Political Influence*, New York, Free Press, 1961). Where does this influence come from? According to Dahl, among the sources of influence, most important are money and credit, control over jobs, control over information, social standing and legal and constitutional status (Robert A. Dahl, "The Analysis of Influence in a Local Community", Charles Adrian (ed.), *Social Science and Community Action*, East Lansing, Michigan State University, 1960, pp. 24-42).

[14] Jayaprakash Narayan, *Communitarian Society and Panchayati Raj*, Varanasi, Indra-prastha Press, 1970, p. 73.

[15] S. K. Dey, *op. cit.*, pp. 4-16.

ORGANIZATION PATTERN OF PANCHAYATI RAJ

The Study Team recommended a three tier organizational structure for the panchayati raj. *The Village Panchayat* with elected representatives of the adult population in the village was the lowest unit; *the panchayat samiti* consisting of the sarpanchas of panchayat samitis in the block area at the intermediate level; and the *zilla parishad* with chairman of panchayat samitis as *ex-officio* members at the district level. An examination of the organizational structure of the panchayati raj institutions in various states reveals that, though the ideals and basic objectives of the institutions are identical in all the states, their powers, mode of representation of the people, and the nature of interrelationship among them is not uniform.[16] Variations among these institutions have been observed frequently in respect to the unit of devolution—at some places it is the district while at the other places it is the block or tehsil—and the mode of representation, which in some states is through direct election while in other states it is through indirect election or by both. For example, the state of Rajasthan adopted the panchayati raj pattern suggested by the Study Team in toto and accordingly made panchayat samiti the most powerful body by making it responsible for the planning and the execution of all the developmental programmes. The zilla parishad is only a supervisory and coordinating body. A special feature of the scheme is that the zilla parishad cannot modify the budget proposals of panchayat samitis, even though it can return the proposals with a suggestion to modify these. Another feature of the pattern is the total exclusion of officials from membership of both the samiti and parishad. The panchayat samiti consists of directly elected sarpanchas of village panchayats in the area, the representatives of scheduled castes, tribes, and cooperatives.[17] The state of Andhra Pradesh has provided planning and executive powers to both the panchayat samiti and zilla parishad. Developmental programmes of all the departments of the government, including maintenance of minor irrigation, and welfare of backward classes, have been transferred to the samiti and the parishad. The parishad has, in certain areas, supervisory powers while in others it has executive powers. The mode of representation to panchayat samiti and zilla parishad in Andhra Pradesh is similar to the mode adopted by the state of Rajasthan. The pattern adopted by Maharashtra is different from both Andhra Pradesh and Rajasthan. The zilla parishad in Maharashtra is the most powerful

[16] B. Maheshwari, *op. cit.*, p. 23; Rajeshwar Dayal, *op. cit.*, pp. 37-39; Jayaprakash Narayan, *op. cit.*, pp. 106-112; R. V. Jathar, *Evolution of Panchayati Raj in India*, Dharwar, The Institute of Economic Research, 1964, pp. 98-102; and Government of Maharashtra.

[17] Rajeshwar Dayal, *op. cit.*, pp. 37-44; and R. V. Jathar, *op. cit.*, pp. 87-98.

body. The main functions of the zilla parishad are planning and execution of all developmental programmes, primary, basic and secondary education, distribution of fertilizers, agricultural implements, improved seeds, etc. Thus, the zilla parishad is a strong unit with wide powers and responsibilities. Table at page 260 indicates the different patterns of panchayati raj prevailing in the states of the union based on the devolution of executive powers and the mode of direct election of the representatives to panchayati raj institutions.

ORGANIZATIONAL DILEMMAS IN PANCHAYATI RAJ

The organizational dilemmas of panchayati raj seem to arise largely from the nature of organizational relationship: (1) among the personnel working in the block administration, and (2) the block administration and panchayat samiti. Sociologists studying modern bureaucracy have pointed out that some structural characteristics of bureacratic organizations tend to create strains, both in terms of organizational goals, and in the inter-personal relationship among the staff[18], for example, points to some of the problems that arise when an administrator whose authority is based on incumbency of the office rather than specialized knowledge exerts control over subordinates whose technical specialization and organizational experience differ from his own. Harvey Smith's study similarly reveals that there can be a serious incongruence between the exercise of scalar and functional authority which tends to create conflict in bureaucratic organizations.[19]

Some of the concepts developed in the organizational literature seem useful and relevant in the analysis of organizational dilemmas in the panchayati raj and community development administration. The main structural variables which seem most relevant in the analysis of organizational tension in the panchayati raj institutions are: (1) the multiple system of control over the staff in panchayati raj, (2) supervision of the technical personnel by generalist administrator and by non-technical representatives in panchayat samitis, (3) role conflicts amongst personnel.

The Multiple System of Control over Personnel

Studies of bureaucratic organizations in the western countries have shown that a dual system of control over the personnel of an

[18] Harvey L. Smith, "Two Lines of Authority: The Hospital's Dilemma" in Gartley Jaco (ed.), *Patients, Physicians and Illness*, New York, Free Press, pp. 468-9; Melville Dalton, "Conflict Between Staff and Line Managerial Officers", *American Sociological Review*, Vol. 15, pp. 342-51; and Alvin W. Gouldner, "Organizational Analysis" in Leonard S. Kogan (ed.), *Social Science Theory and Social Work Research*, New York, National Association of Social Workers, 1960, p. 53.

[19] Harvey L. Smith, *op. cit.*, pp. [illegible].

Pattern of Panchayati Raj in States of the Union by Location of Executive Powers and Direct Method of Election in Nine States*

State	Method of Election				Executive and Supervisory Powers			
	Panchayat Samiti		Zilla Parishad		Panchayat Samiti		Zilla Parishad	
	Direct	Indirect	Direct	Indirect	Executive	Supervisory	Executive	Supervisory
Andhra Pradesh		—		—	+	—	+	+
Assam	+			—	+	+	—	+
Bihar		—	+	—	+	+	—	+
Gujarat		—	+	—	+	+	+	+
Madras (now Tamil Nadu)		—		—	+	—	—	+
Maharashtra	+		+		+	+	+	+
Orissa		—		—	+	—	—	+
Punjab		—		—	+	—	—	+
Uttar Pradesh		—		—	+	—	+	+

*Other states have not been included because of the lack of information and due to the non-existence of some of the panchayati raj institutions. The table is based on the data published in 1964 (R. V. Jathar, *Evolution of Panchayati Raj in India*, Dharwar, Institute of Economic Research, 1964, pp 38-99).

KEY: + Presence of direct election, executive and supervisory powers.
— Absence of direct election, executive and supervisory powers.

organization leads to organizational tension between scalar, and functional authorities when scalar authority (which is based on the office one holds) and functional authority (which rests on the specialized roles one plays in the organization) do not reside in the same person, conflict is likely to occur.[20] In hospitals, for example, where scalar and functional authorities are vested in the hospital administrator and the doctor respectively (the former tends of emphasize administrative procedures and the economy of resources while the latter's overriding concern is with professional standards and the providing of service rather than with administrative rules and policies), the lower ranking personnel are often under the dual control of both the doctor and the administrator whose orders and instructions are frequently contradictory.[21]

This conceptual framework is very useful in analysing India's organization of panchayati raj and community development. The administration of Indian community development programme is linked with technical departments, such as agriculture, veterinary science, cooperatives, public health, and like. This has been accomplished by adding community development blocks to the general administration with the collector at the district level acting as the chief developmental officer, and by putting the technical personnel at the block level under the administrative control of the block development officer while at the district level keeping them professionally responsible to their departmental heads.[22] In other words, extension officers, who are technical personnel in the block, are administratively under the control of the block development officer, while their technical supervision lies in the hands of their district technical officers.[23]

With the introduction of panchayati raj, a new system of control by the non-technical persons over the technical personnel working in the community development programme has been introduced. For example, non-officials representing panchyati raj at the district level is the president of the Zilla Parishad, and, at the block level, the Sarpanch of the Panchayat samiti.[24] The nature of organizational relationship between official and non-official bodies at the panchyat samiti in the execution of the developmental programme may be illustrated by the following example. The agriculture department provides to the

---

[20] Harvey L. Smith, *op. cit.*, Melville Dalton, *op. cit.*, and Alvin W. Gouldner, *op. cit.*

[21] Harvey L. Smith, *op. cit.*, p. 449.

[22] Grace E. Langley, "Community Development Programme, Republic of India", *Community Development Review*, 1957, No. 6, p. 7.

[23] S. N. Dubey, *op. cit.*, pp. 654.

[24] T. N. Chaturvedi, "Tensions in Panchayati Raj : Relations Between Officials and Non-officials", *The Economic Weekly*, May 30, 1964, p. 921.

panchayat samiti the agricultural extension officer, compost inspectors and other technical staff needed for agricultural extension programme. These are recruited by the agriculture department, are borne on its cadre and deputed to work in panchayat samitis for specified periods. During the period of deputation, however, operational control over them rests entirely with the samiti to which they are deputed. Their departmental supervisors—district agricultural officers—are concerned primarily with providing technical guidance and other assistance needed by them in carrying out their extension activities.[25] Thus, the control over the technical staff of the samiti is exercised by block development officer, president of the panchayat samiti and the district technical officers of the government department.[26] This multiplicity of control is shown graphically in Figure given at page 263.

One of the consequences of this multiple system of control is that there are frequent, sometimes *sub-rosa*, conflicting claims over extension officers, between the district technical officers, block development officers and the pradhans of panchayat samitis.[27] This has two important consequences. *First*, the district technical officers tend to place secondary importance over the community development programmes and do not tend to be interested in programmes of extension officers. Vepa observes that one of the complications of the multiple control exercised over the technical staff of the samiti by the district technical officers, block development officer and the pradhan of the samiti is that the district technical officers either exercise too close a control over the extension officers and thus undermine the authority of the samiti's pradhan or, what is more frequent, leave the extension officers to themselves who then work without any adequate guidance. Coordination between the samitis and technical departments is, therefore, nominal; and the responsibility for achieving targets tends to be assumed neither by the samiti nor by the technical department.[28] Many extension officers also tend to feel insecure under the control of panchayat samiti—a political body—which often tends to judge them not so much by their technical competence or efficiency as by the relationship they can establish with the influential members of the body. Some extension officers are able to establish good relationship with the powerful people in the samiti and use this to short-circuit the authority

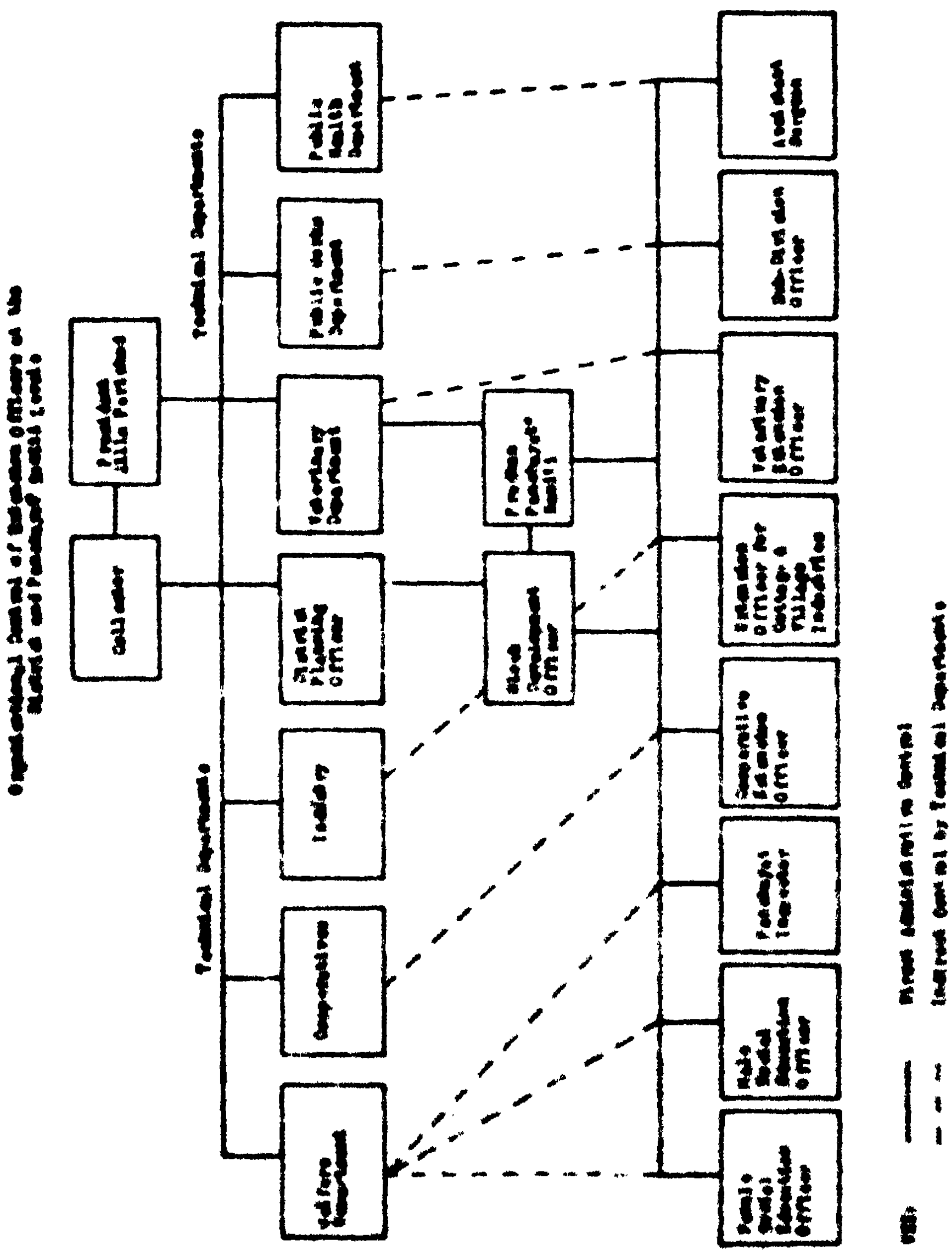
---

[25] V. Nath, "The Technical Departments under Panchayati Raj", *The Indian Journal of Public Administration*, Vol. VIII, p. 512.

[26] *Ibid.*, p. 512-3.

[27] S. N. Dubey, *op. cit.*, pp. 66-67, V. Nath, *op. cit.*, p. 517; T. N. Chaturvedi, *op. cit.*, p. [illegible], and Ram K. Vepa, "Panchayat Samiti: An Appraisal", *Kurukshetra*, Vol. [illegible], 1961, pp. 9-12.

[28] Ram K. Vepa, pp. 9-12.



of the district level officer and the block development officer.[19] A *second* consequence is that conflicting instructions are often issued by the block development officer and the pradhan to extension officers which affect their job performance.[20] Chaturvedi, for example, points out in this study of panchayati raj administration in Rajasthan that difficulties in the relationship between the pradhan and the block development officer tend to arise because of a lack of clear demarcation of their spheres of action. They often pass contradictory instructions to the extension officers. This tends to create factions in the staff which affect seriously the administration.[21]

Supervision of Technical Staff by Generalist and by Non-Technical Administrators

Tension in bureacratic organizations tends arise when technical personnel are subordinated to the authority of the generalist administrator.[22] The authority of the modern administrator is often based on the position he holds rather than the technical knowledge he commands. Yet he is required to supervise and evaluate the work of technical personnel who may have far superior skills in their specialization than him. The administrator, therefore, tends to base his evaluation of the technical staff on what they produce rather than how they produce it. This is objected to by the technical staff who very often tend to emphasize the technical procedure involved in their jobs rather than how *much* they produce.[23] The situation in panchayati raj administration is similar to that described above. The tension generally is observed between the block development officer, a generalist in the block team, and the extension officers, such as the veterinary extension officer, the agricultural extension officer, etc., about whose technical specialization he knows very little and whose work he must supervise. This leads to resentment which lies in the fact that most block development officers are on deputaion from general administration and are not equipped, many a times, with the knowledge and technology of specialities, such as Animal Husbandry, Agriculture, Construction, Cottage industries, etc., which form an important part of the community development

[19] V. Nath, *op. cit.*, p. 517.

[20] T. W. Cousins, "Community Development in West Bengal", *Community Development Review*, 1959, No. 3, p. 10; Haridwar Rai, "Co-ordination of Development Programmes at the District Level with Special Reference to the Role of District Officers in Bihar", *The Indian Journal of Public Administration*, Vol. 12 (1966), No. 1, pp. [illegible]; K. [illegible], "Co-ordination of Development Programmes at the Block Level", *The Indian Journal of Public Administration*, Vol. 12 (1966), No. 1, pp. 60-67; and T. N. Chaturvedi, *op. cit.*, pp. 921-4.

[21] T. N. Chaturvedi, *op. cit.*, p. 923.

[22] Alvin W. Gouldner, *op. cit.*, p. 133.

[23] S. N. Dubey, *op. cit.*, p. 67.

programme. They are nevertheless responsible for sanctioning projects in those fields and evaluating these; and they must also report on the performance of the extension officers.[34] The criteria which often seem to govern the sanction of projects by the block development officers are: (1) whether a project meets the administrative requirements, such as budgeting; (2) whether there is a popular demand for the project in the community; and (3) whether the allocation of money for a particular programme would otherwise be spent within the period of allocation. The extension officers, on the other hand, tend to judge a project primarily on technical criteria, such as whether it is technically sound and whether it is worth the effort in cost/gain terms. Conflict is created when block development officers by their administrative authority tend to impose their judgments on the extension officers.[35]

Conflicts also tend to arise between the block development officer and his team of subject-matter specialists on the one hand, and the pradhan and the leadership of functional committees of the panchayat samiti on the other hand. In panchayati raj, deliberative and executive powers in regard to developmental programmes have been given to panchayat samitis which work through their functional committees having powers to approve projects involving various amounts of money, technical skills etc. The criteria used by these committees in making decisions are often not rational, and the decisions tend to be made on political and other parochial considerations. Often these projects are less than technically sound, and sometimes flout the objective of community development programmes of social justice. The block development officer and the extension officers resent these decisions. Further, the block development officer and his team are under the administrative control of the pradhan of the samiti who is a layman in administration as well as in technical matters. This is also highly resented by the samiti staff which creates a conflict between the official and non-official organs of the panchayati raj administration.[36]

Role Conflict and Organizational Tension in Panchayati Raj Administration

The role conflicts among the personnel of panchayat samiti also seem to be related to what Melvin Seeman calls *status dimension* (conflict between the value of dependence and independence), and *means/ends dimension* (conflict between the emphasis on the process of achievement)

---

34 K. Seshadri, *op. cit.*, p. 77.

35 S. N. Dubey, *op. cit.*, p. 64.

36 V. Nath, *op. cit.*, pp. 513-21; T. N. Chaturvedi, *op. cit.*, pp. 421-4, and Harihar Rai, *op. cit.*, pp. 20-39.

of the role of block development officer,[37] and to what Parsons and Shils call the *universalistic* (a value orientation towards institutionalized obligation to society) and *particularistic* (a value orientation towards institutionalized obligations of friendship, kinship, castes and other primary groups) of the block personnel and the panchayat samiti leadership respectively.[38]

When the community development programme was launched in India, the staff was drawn from the existing government departments to fill the various positions. The assignment of programme responsibilities to the personnel was done on the basis of his status in the parent department. Inspite of the new expectations in the community development programme, attitudes and behaviours of these officers, however, continued to be largely of their old department.[39]

There is a strong tradition in most Indian government agencies, particularly in the Revenue Department from which most of the executive officers in the community development administration were recruited, that it is the job of the government officer to govern; and that senior officers should direct, while junior officers should obey. While this might be an appropriate attitude in other areas, it certainly does not suit the philosophy of the community development programme.[40] Thus, Dube observes that in tasks connected with economic development and community development "the Indian bureaucracy has been hesitant and unsure, and its standards of performance and levels of achievement have not been equal to its reputation. Its structure and ethos suited it more for maintenance of law and order then for massive nation building; its adaptation to the emerging milieu has been beset with organizational incompatibility, psychological resistances and value conflicts. In consequence, it suffers from certain lags and finds itself unable to grapple with the new challenges with ease and confidence".[41] Thus, a highly authoritarian style of block development officers characterized by superior/subordinate relationships to maintain their 'high' status has created several problems in the administration of community development programmes. For one thing, the relationship

---

[37] Melvin Seeman, "Role Conflict and Ambivalence in Leadership", *American Sociological Review*, Vol. 18 (1953), pp. 373-9.

[38] Talcott Parsons and Edward Shils, *Toward a General Theory of Action*, Cambridge, Harvard University (1959), pp. 76-7.

[39] S. N. Dubey, *op. cit.*, p. 68; and C. C. Taylor and D. Ensminger, "Role and Status Relationship in Programme Administration", *Community Development Review*, Vol. II ([illegible]), p. [illegible].

[40] T. R. Batten, *Training for Community Development*, London, Oxford University, [illegible], pp. 6-7; and V. Subramaniam, "Hindu Values and Administrative Behaviour", *The Indian Journal of Public Administration*, Vol. 13 (1967), No. 4, pp. [illegible].

[41] S. C. Dube, *op. cit.*, pp. 343-51.

between block development officers and the extension officers, already strained by the resentment of the latters over their subordination to the formers becomes further impaired. The strict superior/subordinate relationship orientation has also created a severe problem of communication, between higher and lower ranks, practically at every level in the community development administration. The communication of information is essentially from higher echelons to lower echelons in the forms of directions and instructions. The limited information which flows from lower levels to higher levels goes through a censoring process in such a manner that it is practically useless when it reaches finally the top most level.

The conflict in the block development administration also tends to arise when the block development officer emphasizes the achievement of community development targets without much regard for means employed to achieve these. This dimension of the conflict seems to be related to what Gouldner has called *cosmopolitan* (orientation characteristically of professionals which displays a high degree of commitment to specialized role skills, professional ethic placing equal emphasis on means and goals, and a strong commitment to technical or professional reference group) and *local* (a predisposition which shows a lower degree of commitment to professional skills and ethics and reference groups orientation to the organization) orientations of the extension officers and the block development officers respectively. The extension officers in the block team fit in the category of cosmopolitans because they are technical persons who possess specialized skills and perform specialized roles. They are, therefore, largely concerned with the professional aspect of the job instead of achieving targets by hook or crook. This is not appreciated by the block development officers who are mainly concerned with achieving targets.[48]

The role stress in the panchayati raj administration also seems to arise due to the conflict between universalistic or bureaucratic and particularistic orientations of the block personnel and samiti leadership respectively. The universalistic orientation, *i.e.*, impartiality, objectivity and impersonality, etc., is strikingly manifested in bureaucratic organizations.[49] The organization structure of community development programme in India is such that it lends itself to the bureaucratic model of analysis, *i.e.*, each part of the programme is logically related to all other parts, and the role of each cadre of the programme personnel is

48 S. M. Dubey, *op. cit.*, pp. 69-70.

49 R. K. Merton, "Bureaucratic Structure and Personality", in Herman D. Stein and R. A. Cloward (eds.), *Social Perspective on Human Behaviour*, Glencoe, Free Press, 1958, pp. 371-84.

clearly delineated.[44] Consequently, the block staff tends to place comparatively a high emphasis on the universalistic considerations in their decision-making. While the panchayat samiti leaders tend to base their decisions largely on political and other particularistic considerations, the members of panchayat samitis are, by and large, socially influential people. Their influence rests upon the support they can get from the people in the area. This generally menans that they should prove useful to their supporters by relating themselves to their interests. Consequently, the leaders tend to use their position in the panchayati raj to help their supporters to procure such things as seeds, fertilizers, loans and subsidies, building material, jobs, etc. In other words, they tend to use block agency as a means to achieve their particularistic ends and resource base to nurse and enlarge a body of their supporters.[45] Block development officers and extension officers, however, work from a different and antagonistic perspective. They tend to emphasize technical, rational and impersonal factors in their decisions. This is often not appreciated by some factions or the other in the panchayati raj leadership and creates conflict between them. Chaturvedi observes that factionalism has vitiated the administrative atmosphere in the panchayati raj. "Whenever an official in the panchayat samiti is found guilty of inefficiency or corruption and any administrative action is taken against him, the non-official with whose group he identifies himself interferes with the process without enquiring into the causes of such action and support their 'man'."[46] Transfers, appointments and promotions are generally made on the basis of group loyalties. Singh and Ashraf report that in response to the question, "Do you feel that leaders put unfair pressures on government officers and functionaries for furthering their interests?", nearly 75 per cent (n = 242) government workers and 57 per cent (n = 159) of the panchayati raj leaders believed that the government workers are subjected to unfair pressures by the panchayati raj leaders. The pressure is exercized to obtain grant-in-aid permits, and quotas, and to seek political ends through favouritism; to benefit their 'own people'; to have certain officials transferred or have favoured individuals posted; and to use funds inappropriately, etc.[47]

CONCLUSION

The foregoing analysis deals with the structural factors responsible for the tension in the panchayati raj institutions. The main factors

[44] C. C. Taylor and D. Ensminger, *op. cit.*

[45] Ram K. Vepa, *op. cit.*, p. 10; T. N. Chaturvedi, *op. cit.*, p. 923; and K. K. Singh and Ali Ashraf, *Bureaucracy Leadership and Development: A Draft Report*, Kanpur, Indian Institute of Technology, 1971, p. 82.

[46] T. N. Chaturvedi, *op. cit.*, p. 923.

[47] K. K. Singh and Ali Ashraf, *op. cit.*, pp. 84-5.

examined are: (*i*) multiple system of control over the samiti's staff; (*ii*) the supervision of technical staff by generalist and lay administrators; and (*iii*) role conflicts. The analysis suggests several theoretical implications. One, it lends support to the hypothesis advanced by Gouldner that the organizational tension resulting from the supervision of the technical staff by generalist administrators is not peculiarly a phenomenon operating in industrial societies, but is an equally significant structural variable in organizations set-up in rural areas for developmental purposes. Second, the multiple system of control over the staff in the organization tends to set limits upon the degrees to which integration of personnel can take place. Third, the social, and cultural environments contribute considerably to the organizational behaviour of the personnel working in formal organization.[68] The particularistic orientation among the non-officials in panchayati raj seems to stem from the pressures exerted on them, by what Gouldner calls "social system imperatives", such as loyalties to political, ethnic, religious, kinship and caste groups. Presthus observes that the pattern of bureaucratic behaviour reflects the values of the institutions of socialization of the bureaucrat. Nepotism, favouritism, etc., observed in bureaucratic organizations in many under-developed countries are the manifestations of the patterns of family and kinship relations in which personal loyalties outweigh the demands of objectivity and impartiality.[69]

[68] Fred W. Riggs, "Administration in Developing Countries", *The Theory of Prismatic Society*, Boston, Houghton Mifflin, 1957, pp. 23-110, and Morroe Berger, *Bureaucracy and Society in Modern Egypt*, Princeton, Princeton University, 1957.

[69] Robert V. Presthus, "Behaviour and Bureaucracy in Many Cultures", *Public Administration Review*, Vol. 19 (1959), pp. 25-35.

TRAINING OF IAS OFFICERS

R. Venkatanarayanan

IN this article, attention has been given to the training of probationary recruits to the IAS and their subsequent in-service training before they shoulder heavy responsibilities. The article restricts itself largely to a discussion on the present and proposed training syllabi. Details of imparting training, such as institutional and other practical arrangements, have not been dealt with.

THE PRESENT SYSTEM

The recruit to the IAS undergoes, at present, a four-month foundation course alongwith the recruit to the Central Services at the National Academy of Administration, Mussoorie. The latter leaves the institution at the end of the foundation course and the IAS probationer is taken through what is called the professional course. This course is of the sandwich pattern. The first part lasts two months (November and December) and is followed by training of the probationer for about one year in the field. Thereafter, he returns to the Academy to complete the professional course. The second part of this institutional training lasts four months.

In the foundation course, the subjects taught are: Public Administration, Law, Political Theory and Constitution, Economics and Five-Year Plans, Indian History and Culture, and Hindi. Under Public Administration, it appears that considerable details are sought to be conveyed to the probationers through a large number of lectures. The subjects covered include theory of bureaucracy, principles of delegation and decentralization, administrative ethics and personnel administration (principles and techniques of recruitment, training, performance evaluation, etc.), financial administration, social administration, public undertakings, etc. Principles of law and jurisprudence, personal laws, company law, etc., are also taught. A large range of economic concepts, principles and problems is sought to be covered under Economics. Lectures on monetary policy, fiscal policy and price policy as well as on the theories of economic growth are given. There are a set of written examinations to be passed by the probationers.

A further dose of lectures on Public Administration, Political Theory and Economics is administered to the probationers in the two-month professional course preceding the field training. More examinations follow.

The field training of the probationers in different States is far from uniform. Some States train their officers in special schools while many States do not have these schools. Period of attachment to the State Secretariat, Agricultural University, etc., and that of field training in development administration and land records also vary widely from State to State.*

There does not appear to be a separate syllabus for the second part of the sandwich course but it is presumed that the syllabus of the professional course is continued and completed.

At present, there is no organized programme for IAS Officers' In-service training after they complete six or seven years of field duty in order to equip them for higher responsibilities.

Weak Points of the Present System

A few critical comments on the present scheme of things appears appropriate at this stage. It is doubtful if the entire syllabus from the beginning of the foundation course to the end of the second half of the professional course has been prepared with single, integrated perspective. This doubt arises because quite a few topics dealt with in the foundation course appear to be more suitable for being taken up in the professional course and there is also some amount of repetition in the syllabi. The topics to be covered in second part of the foundation course have not been clearly distinguished to account for the fact that the participants would have had a year of subordinate field experience behind them. A very large number of lectures and a series of written examinations characterize the training programme in the Academy. It appears that not all the written examinations are necessary and the lecture method of training needs modification. There is no evidence in the syllabi of the use of modern training techniques. It is not clear if an integrated view has been taken of lectures, seminars, syndicate studies and self-study as means of training. If this were to be done, it would be necessary to allocate weeks and hours for different subjects and for different modes of imparting training. The syllabi leave one with impression that too much is attempted to be put into the minds of probationers in too little time. Some of the material can be safely

* Recently steps have been taken to bring a measure of uniformity in this matter.

omitted. The syllabus does not also show that the right amount o emphasis by way of number of lectures, topics covered, etc., is ensure for different subjects. The impression one gets is that undue emphasi is given on some topics and inadequate on some others. For exampl under Public Administration, in the foundation course, there does no appear to be need to lecture the probationers on local administration manpower planning, principles and techniques of recruitment, perform ance budgeting, functioning of public undertakings, delegated legislatio and tribunals, social security administration, etc. The utility of lecture on laws of contract and torts, company law, administration of justice etc., is doubtful. Much use also cannot be claimed for lectures dealin with national income, market price and factor cost, theories of economi growth, techniques of planning and intricacies of monetary and fisca policy. These lectures are likely to be redundant to economic graduates and likely to convey little to non-economics graduates o account of inadequacy of available time.

A similar critical examination of the syllabus of the professiona course also reveals some ambiguities, vagueness, repetition an avoidable topics. The period of two months for the first part of th sandwich professional course is too little to impart an adequate amoun of professional knowledge to the IAS probationers that will be usefu to them before they undertake their field training.

A closer study of field training programme will show that ther are quite a few shortcomings in the present scheme of field training o IAS officers. The large divergence in the duration of training in variou areas and the substantial difference in emphasis on different aspect of training in the States will be self-evident. There is also good reaso to suspect that the actual content of the training programme in attach ments, such as in the Secretariat, planning and development depart ments, etc., does not have a close relation to what the probationer learnt prior to coming to the field and the types of job expected to b handled by them within the first few years of their service.*

THE PROPOSED SYSTEM

The most important feature of the revised programme has to b that the various parts of it (including the in-service training schem discussed later) are to be treated as an integral whole. The syllabus o foundation course should attempt the inculcation of only the broa principles of Civil Service and of governmental functioning. Th

* Recently this part of the programme has been revised.

professional course syllabus should comprise subjects and topics which are closely relevant to the actual field work of the officer in the first five or six years of service. On the other hand, the subjects for the subsequent in-service training programme to have a bearing on the much broader range of responsibilities that have to be shouldered by the officers at the level of Deputy Secretary to the Government of India or equivalent and upward.

While the main thrust of the foundation course should be, as indicated earlier, to educate the probationers in broad principles of administration, a thorough grounding in the Constitution of the land is essential. Beyond this, all that is required is only a general treatment of the problems of economic development of the country with some reference to Five-Year and Annual Plans. Quite a few topics may be omitted from the foundation course if this approach is accepted. It is felt that this would make the foundation course compact and more meaningful. Its present duration of four months can be safely cut down to three.

Duration and Syllabus

On the other hand, the present duration of two months of the first part of the professional course is too inadequate. It should be increased to at least three months. No change, however, is called for in the duration of the field training (12 months) and of the second part of the sandwich course at the Academy (four months).

The revised syllabus for the two parts of the institutional training of the professional sandwich course can be devised keeping the following observations in mind:

(1) There is a need for educating the IAS probationer intensively in the practical features of district administration, problems of economic development and those relating to welfare of the people.

(2) There is also a need for a good grounding in the political framework and the constitutional constraints within which an IAS officer has to function.

(3) Detailed knowledge of parts of specific statutes, such as IPC, IEA, Cr.PC, etc., is essential. There is no need to take the probationer through the entire Cr.PC, CPC, IPC, etc. Any such attempt will only result in racing through these bulky tomes to the chagrin and amusement of the probationer.

(4) The syllabus of the second part of the institutional training of the sandwich course should take into account the fact that the probationer would be in a better position to contribute his own views during his study at the Academy on the strength of his field observations and experience. As mentioned earlier, the main thrust of this part of the programme would be to prepare the officer to obtain adequate professional background for handling the sub-divisional and other related charges in the first few years of service.

(5) As a large number of these officers would be holding posts which carry responsibility for executing and supervising programmes of economic development, a good dose of Government policy in economic development, of the main problems faced and of the functioning of public sector should form part of this programme.

Field Training

Coming to the field training, the most important requirement is to ensure a measure of uniformity in the training of probationers in different States. The objective of the field training programme should be three-fold:

(1) Thorough familiarization of the probationers with the Revenue Law of the State;

(2) Some acquaintance with the administrative aspects of development of the State; and

(3) Concentrated immersion in the judicial and executive aspects of district administration.

Every element in the field training programme should subserve the above mentioned objectives.

A training manual should be prepared by each State and special care should be taken in selecting Collectors to train probationers.

It appears essential that each State Government must run an administrative training school of its own. Facts and problems relating to the administration of land tenure, reforms and revenue are so widely different from State to State that on this score alone a separate training school would be justified. Besides these, there are widely differing features of various States in regard to law and order, economic development and social welfare of the people. Without such a school, a State

level perspective cannot be imparted to the probationer on these problems nor can a thorough grounding on the various State Laws given to the probationer. The period that he spends in such a school may be around five weeks. Three weeks should be devoted to the revenue and land reform law of the State and two weeks to the problems of law and order, general administration and economic development (agriculture, irrigation, education, medical, social welfare, etc.). The probationer should be introduced to these problems through reading material and talks by State level officers.

Attachment of the probationer to an agricultural university for more than three weeks is unnecessary. The aim of this attachment should be to give the probationer a state-wide perspective in agricultural and allied problems of the State and a comparative idea of problems in different zones of the State.

The main aim of the Secretariat attachment should be to introduce the probationer to the set up of the State Government organization and the inter-relationship of important departments. The probationer need be attached to only three departments of the Secretariat, one week in each, namely, Finance, Planning and Revenue. During this period, he can devote some time in the Board of Revenue also. What the probationer will do during this period is to discuss with officers of the department the broad features of the work of the department, study some important files and sit in as an observer in a few inter-departmental meetings.

The attachment of the probationer to the judiciary in the district should not be restricted to a week or two but should go hand in hand with his attachment to the district office. It should be expected of him to observe the proceedings in a Judge's Court for the duration of one complete case, of a judicial officer (independent of the executive and trying IPC cases) for the duration of at least two cases and to a magistrate (an executive-cum-magisterial authority) for the duration of at least four cases.

It is currently fashionable and popular to suggest that the probationer should be made to work in rural areas during the training period in posts of Patwari, Village Level Worker (VLW), etc. But such actual working in the field is hardly necessary to bring to the IAS probationer the insights that would be needed when he goes on regular posting. The element of unreality that attends the posting of the probationer as a Patwari, or VLW or Block Development Officer (BDO) for a few weeks or even months is too strong to make for a serious

approach on the part of the probationer or, for that matter, on the part of the district administration itself, to the basic training objective. The result is that both the administration and the probationer do nothing more than a sort of play-acting. The requirement has been dispensed with in the revision proposed.

The field training should comprise the following four parts:

(1) Formal captive training;

(2) Attachment of the probationer to certain offices to enable him to observe and grasp;

(3) Putting the probationer in subordinate charge of certain important offices to make him gather the courage and the ability to shoulder independent responsibility; and

(4) Full charge of a subordinate office.

The last three parts have two distinct aspects, the line or executive aspect and the staff or management aspect. The schedule of field training should provide opportunity to the probationers to learn both on the line and on the staff side and make him a reliable fulfledged junior officer of the Service by taking him through increasingly difficult steps. The various elements in the parts of the field training programme should be arranged in the order in which they should actually be executed in the programme.

Two important reports should be prepared by the probationer during his field training. This is besides the inspection notes that he will record on various items of work both in the field and in the office. One report should be on the problems of development of a Taluka or a Tehsil of a district. If this report were to be on a single village, highlighting its problems, it is not likely to result in any substantial education to the probationer. A village is too small an economic unit. His report on the Taluka or Tehsil can cover various aspects of development, such as agriculture, irrigation, electricity industry, education, medical and health, social welfare, etc. The second report should be at the end of his training, sitting at the district office. This should contain the impression of the probationer on the training received by him in the form of a self-appraisal-cum-evaluation of the programme and should contain any other observation that the probationer would like to make on the entire gamut of the State/district administration.

These two reports should be forwarded by the probationer to the Director of the National Academy through the Collector of the district.

Copies may be sent by the Academy to the Chief Secretary of the State Government concerned. The objective behind these reports is the following:

(1) In straining to prepare a good Tehsil development report, the probationer will have to demonstrate his report-writing ability which involves collection of facts, their appreciation, analysis and presentation. In doing it, he will also be forced to keep his feet firmly planted on the ground—a requirement which will be of immense benefit to him after his academic training in public administration.

(2) The evaluation report would be useful to the Academy and to the State Government as a feed-back on the field training of probationers.

It was mentioned earlier that the syllabi should indicate broadly not only the overall duration of the different training courses but its break-up in terms of different subjects and in terms of different modes of imparting knowledge. Training courses do have a tendency to become an unrelieved series of lectures making the participants unresponsive. Emphasis disproportionate to the importance of topics may also occur. The possibility of this can be mitigated by describing inasmuch detail as possible the specific topics under each subject, in which training should be imparted and by laying down broadly the division of the training programme into the four categories, *viz.*, lectures, seminars, practical exercise/syndicate study, and self-study. The revised overall duration of the different courses and a broad indication of the number of hours to be devoted to the different subjects could accordingly be worked out. The latter should be taken to convey the measure of the relative extent and intensity of knowledge imparted in the different subjects.

Written Examination

Too many written examinations are not advisable during the institutional training for more than one reason. Firstly, they tend to make the probationer unresponsive to anything other than the need to get over them. Secondly, they are an irritant to the probationer who after all has passed a graduate or post-graduate examination in the university and has also passed a difficult examination through written tests on a number of subjects and through a personality test, prior to entering the Service. The basic objective of the pre-entry training should be to activate the curiosity of the probationer, energise his faculty to locate information and digest it and to grasp the broad essentials

of the responsibilities he is likely to shoulder in the initial few years. Too many examinations do not help achieving this objective. It would, therefore, appear that the following schedule of examinations should suffice:

Course	*Subject*	*Duration (hrs.)*
Foundation	1. Constitution	3
	2. Hindi	2
Sandwich I Part	1. Regional language	2
	2. Law (IPC/IEA/Cr.PC)	2
Sandwich II Part	1. Public Administration	3
	2. Economic Development	3

IN-SERVICE TRAINING

We now come to the syllabus for the training of the IAS officer after he completes a few years of service. By and large, an IAS officer enters the senior scale (Collector or equivalent) around the fifth year of his service. Around the nineth year, he becomes eligible to hold fairly senior posts both in the State and at the Centre (equivalent to Deputy Secretary to Government of India.) It would, therefore, be appropriate and profitable if the in-service training is given to him between five and nine years of service. Economic implications are assuring greater importance in executing and planning programmes of Government activity. It is, therefore, necessary that a substantial dose of applied economics with special reference to economic management in Government should be included in this training. The intricacies of programme administration in respect of important fields, such as agriculture, industry, infrastructure, etc., have also to be brought home to the officer at this stage of his career. Thirdly, concepts of modern management and techniques in higher general administration should also be dealt with. Accordingly, this training programme is divided into three sub-classifications namely:

(1) Management (Economic) in Government;

(2) Management (General) in Government; and

(3) [illegible] (Programmes) in Government.

The in-service training should be compulsory for all IAS officers and should last 12 weeks, with about thirty hours per week of formal working. Ten hours per week should be given to lectures (not more

than that), fourteen hours per week for seminars, and six hours per week for practical exercise/syndicate study. At least six hours per week should be left for library and self-study.

Five weeks may be spent on economic management, four weeks on general management and three weeks on programme management. It is likely that the number of hours for lectures will be more and those for practical exercise less in the economic management part than in the other two parts. These minor changes in the weekly work pattern can be left to the training agency.

This training should be organized and administered by the National Academy. However, it need not depend only on its own faculty members but should draw on additional talent both in Government and outside it. For a series of related topics, directors of training can be appointed on short-term basis with responsibility not only to give lectures but to prepare background notes for distribution to the officers, to lead seminars, and to organize syndicate work.

CONCLUSION

There is a need to re-examine the syllabi for probationery training of IAS officers. There is also a need to organize a substantial training programme for officers who complete a few years of service in order to familiarise them with modern concepts of economic and programme management. Decisions on the different parts of these training courses should be taken in a single perspective and their syllabi should form in integrated whole.

INSTITUTE NEWS

> *Dr. A. N. Jha*, Lt. Governor of Delhi, passed away on January 18 after a brief illness. An eminent scholar and a distinguished administrator, he was associated with the Institute as its Vice-President from October 1966 to June 1970.

The Institute conducted the following courses during the quarter (January-March) for senior and middle-level officers of Central and State Governments, Union Territory Administrations, Municipal Committees and Corporations, Public Sector Undertakings, etc.:

(1) Course on O & M, January 10 to 15 (New Delhi);

(2) Twelth Course in Municipal Administration, January 17 to February 25 (New Delhi); [A nominee of the Royal Government of Nepal also attended the course. Municipal Corporations of Allahabad and Alwar arranged for attachments of the participants].

(3) Special Course on Materials Planning in Emergency, January 31 to February 5 (New Delhi);

(4) Fourth Course in Social Policy and Administration (State and Social Change), February 7 to 19 (New Delhi);

(5) Third Special Course on Performance Budgeting for Public Undertakings, February 21 to 26 (New Delhi);

(6) Special Course on Performance Audit, March 1 to 9 (New Delhi);

[The course was organized at the request of the Controller General of Defence Accounts for Officers in his office.]

(7) First Refresher Course on Some Aspects of Administrative Management, March 2 to 18 (Chandigarh);

[This course forms a part of a new programme of courses and seminars planned by IIPA in cooperation with the Department of Public Administration of the Panjab University.]

(8) Second Course in Records Management, March 6 to 10 (New Delhi); and

[It was a repeat session of the course conducted in September 1971 in collaboration with the Training Division of the Union Department of Personnel.]

(9) Sixth Orientation Course in Project Formulation, March 13 to 18 (New Delhi).

The Institute also organized the following two seminars during the quarter:

(1) *Seminar on Regional Imbalances — The Problems and Policies*, March 3-4 (New Delhi).

In the Seminar, over 35 academicians, planners and government officials joined in evolving a proper

understanding of the nature of the factors which have hampered development of backward regions in the country and also finding a reasonable solution thereto.

(2) *Seminar on Local Authority Policy Planning for Indian Cities*, March 27-28 (New Delhi).

IIPA's Centre for Training & Research in Municipal Administration organized the seminar in co-operation with the Institute of Local Government Studies (Birmingham).

Attended by experts in the field, officers of Union and State Governments, Union Territory Administrations, specialized agencies, etc., the main purpose of the seminar was to share and pool with the Birmingham team, ideas and experiences on municipal training programmes and to evolve a strategy for municipal development plans for Indian cities.

The Seminar was preceded by a 'briefing' session (on March 27) to bring about an exchange of ideas and experiences on recent developments in Urban administration in India and U.K. between the faculty of IIPA and the Birmingham team headed by *Prof. Henry Maddick*

The next part of the Seminar is to be held from April 3-6.

* * *

First meeting of the Syllabus Committee, set up by the IIPA Seminar on 'Teaching of Public Administration' (held in March 1971) was held at the Institute on February 16-17. The main purpose of the Committee was the preparation of a 'model' syllabus for instruction in public administration in the Indian universities. Participants in the meeting included: *Dr. A. Avasthi, Dr. R. B. Das, Dr. Ziauddin Khan, Dr. B. S. Khanna, Dr. M. A. Muttalib, Dr. K. V. Rao,* and *Dr S. R. Maheshwari.*

After having evolved the framework for undergraduate and post-graduate levels of instruction in the subject, the Committee assigned the task of preparing drafts of detailed syllabi for various papers, courses, etc., to various scholars.

The Committee will meet again as soon as these drafts are ready.

* * *

The following visited the Institute during the quarter:

(1) *Dr. Norman D. Palmer*, Professor of Political Science, University of Pennsylvania. He also addressed the faculty members of IIPA on "Indicators of Political Development".

(2) A group of police officers (of the ranks of Inspectors and Deputy Superintendents). The visit was arranged by the Bureau of Police Research & Development, Union Ministry of Home Affairs.

(3) *Dr Robert S. Herman*, Professor of Economics and Public Administration and formerly Chairman of the Department of Economics, Union College, Schenectady (New York).
He also addressed the members of faculty and research staff on "Inter-governmental Fiscal Relations: Past, Present and Future".

(4) A party of students from University of Rajasthan.

* * *

Dr. V. Subramaniam, Professor of Public Administration, University of Zambia, Lusaka (who served IIPA as Professor of Public Administration during 1967-68) addressed the

members of the faculty on (1) "Politics and Public Administration in Africa with special Reference to Zambia", and (2) "Administrative Theory and Indian Administration". The talks were arranged by the Study Circle of IIPA on April 13 and 18 at the headquarters.

* * *

Prof. G. Mukharji, Director of the Institute, is retiring. The Chairman of the IIPA Executive Council, *Shri Asoka Mehta*, has, therefore, nominated a Committee to take necessary steps for the selection of the Institute's next Director. The Committee consists of, besides the Chairman himself, *Shri T. Swaminathan*, Cabinet Secretary to the Government of India; *Shri G. Parthasarathi*, Vice-Chancellor, Jawaharlal Nehru University; *Prof. M. V. Mathur*, Director of the Asian Institute of Educational Planning & Administration; *Shri P. L. Tandon*, Chairman of the State Trading Corporation of India; and *Shri T. N. Chaturvedi*, Chief Secretary, Delhi Administration.

* * *

Dr. A. P. Barnabas, Reader in Sociology, resumed his duties on January 15 after a term of three years as FAO Consultant in Afghanistan.

* * *

On recommendation of the Library Committee, the IIPA Executive Council has decided to throw open the Institute's library to individuals who are not members of the IIPA but may be interested in using its library. The Institute will henceforth enrol such persons as Library Members on payment of a monthly subscription of Rs. 5 (Rs. 12 for a year) but this will not *per se* entitle them to the issue of books from the library.

* * *

The Institute brought out a new book "State Municipal Relations" by *Dr. Mohit Bhattacharya* (p. 61, Rs. 8.00), during the quarter.

* * *

Tamil Nadu Regional Branch of IIPA organized a seminar on "Public Administration and Democratic Socialism" on February 5 and 6.

Shri K. K. Shah, Governor of Tamil Nadu, who delivered inaugural address also released the report of the last year's seminar organized by the Branch on "Role of Specialists in Public Administration". The concluding session was chaired by *Shri B. D. Jatti*, Lt. Governor of Pondicherry.

The Branch, in cooperation with the American Cultural Centre, also arranged a lecture on February 23 by *Dr. Robert Herman*, Professor of Economics and Public Administration, Union College, New York.

The new Executive Committee of the Ranchi Local Branch consists of, among others: President — *Shri M. S. Rao, ICS (retd.)*; Secretary — *Shri I. C. Kumar*, Deputy Commissioner, Ranchi; and Treasurer — *Shri Jogendra Prasad*, Under Secretary, Chotanagpur & Santhal Parganas Development Authority, Ranchi.

RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

The Prime Minister, *Smt. Indira Gandhi*, inaugurated on January 20 the State of Meghalaya and the Union Territory of Arunachal (former NEFA) and on January 21 the States of Manipur and Tripura and the Union Territory of Mizoram. This brings the total number of States and Union Territories in the Indian Union to 21 and 8 respectively.

Responsibility for managing the four international airports at Delhi, Calcutta, Bombay, and Madras will now be transferred to the International Airports Authority of India which was formally constituted on February 1. As an autonomous statutory authority, it will own and operate the four airports, following the enactment of the legislation by Parliament for the purpose. With the constitution of the Authority the scope of public sector in civil aviation in India which is presently concerned with the operation of domestic and international air services by the Indian Airlines and Air India respectively, will be enlarged to cover the ownership and management of the International airports.

The Authority will develop the professional expertise in planning, design and execution of airport terminals so that it can provide in due course consultancy services for planning of other airports in India.

The air navigation services, including air traffic control, will, however, remain the charge of the Department of Civil Aviation.

The Union Government has decided to amalgamate the existing two councils and to constitute a single Consultative Council on Community Development and Panchayati Raj.

The Union Minister of Agriculture will be the Chairman of the new council and the Minister of State in the Ministry of Agriculture, in charge of the Community Development Department, will be its Vice-Chairman.

The difficulties faced by small-scale manufacturers in following Central Excise procedure are to be inquired into by a Study Group set up by the Government of India. Headed by Shri J. Banerjee, Director of Inspection, Customs and Central Excise, the Study Group will suggest measures for simplifying the procedure where necessary. It will specially examine the difficulties faced by small scale industries in maintaining Central Excise accounts and submitting returns. The Group has been asked to submit its report by the end of May this year.

The status of the Director General of the Indian Council of Agricultural Research has now been upgraded from Additional Secretary to Secretary to the Government of India. His status will be the same as that of the Chairman of the Atomic Energy Commission, Chairman of the Electronic Commission, Scientific Adviser to the Defence Minister, and Director-General of the Council of Scientific and Industrial Research.

To have a constant review of the progress of various power development works in *Jammu & Kashmir*, particularly the projects under construction, a new seven-member Power Development Committee, headed by the Chief Secretary, came into existence. The Government has dissolved the Power Development Authority (PVA) and its various committees.

The new Committee will have authority to take decisions on all management issues relating to power development work and this will extend to matters hitherto handled by the various committees of the PVA. The Minister concerned will be kept continuously in touch with the functioning of the Committee. Quarterly reports on the work done by the Committee will be submitted to the Cabinet by the Commissioner for Power Development.

* * *

The Union Finance Minister, Shri Y. B. Chavan, presented the general budget for 1972-73 estimated at Rs. 4343 crores at the existing level of taxation and expenditure at Rs. 4124 crores, leaving a surplus of Rs. 219 crores, against a small deficit of Rs. 26 crores (revised) last year and anticipated surplus of Rs. 140 crores in the budget proposals. However, on the capital account, there is a huge deficit of Rs. 594 crores. The overall deficit of Rs. 375 crores is proposed to be reduced to Rs. 242 crores as a result of accrual of Rs. 133 crores through new taxation measures.

The State Bank of India has adopted a new strategy of concentrating its activities in the field of agricultural credit, largely at 150 Incentive Centres in the country. The Bank has also drawn its "Village Adoption Approach" scheme to ensure better results in the financing of agriculture. In the villages adopted under the scheme, all the viable and potentially viable farmers would be assisted with suitable loans.

In order to encourage commercial banks to come in a larger way in the field of agricultural credit, the Talwar Committee had recommended a model legislation for extending certain facilities in respect of small loans. The recommendations have been commended to the States for adoption.

The Government of India has announced the appointment of a Committee to go into the question of taxing agricultural wealth and incomes. Headed by *Dr. K. N. Raj*, Director of Delhi School of Economics, the Committee has been asked to submit its findings by September 1972.

Restrictions on white-washing or colouring of the outer walls of Government buildings—residential or non-residential—additions and alterations in them, etc., are some of the measures set in motion by the Government of *Madhya Pradesh*, following its decision to effect economy, in the context of present emergency. However, buildings, such as the Vidhan Sabha, High Court, Secretariat, and those which have a direct bearing on the requirement of the emergency (hospitals, for instance) are excluded from the scope of these orders.

The Government of *West Bengal* has decided that with effect from the 1st March, 1972, the Departments and authorities subordinate to Government shall be competent to sanction expenditure without reference to Finance Department subject to the budget provision made and other conditions as may be laid down from time to time.

* * *

The Union Government has set up an Action Committee to suggest ways of improving the performance of public sector undertakings with Shri M. S. Pathak, Member, Planning Commission as Chairman. Its recommendations will be considered by Government at the highest level.

Members of the Committee include Shri V. G. Rajadhyaksha, Chairman, Hindustan Levers Ltd.; Shri K. M. George, Managing Director, ACC Vickers Babcock Ltd.; Shri C. P. Srivastava, Chairman, Shipping Corporation of India Ltd.; and Prof. N. De, Indian Institute of Management, Calcutta.

Appointed to inquire into a major mishap that occurred in the Rourkela Steel Plant on the night of the July 11/12, 1971, the four-member technical Committee has said that the General Manager of the plant should be relieved of some of his administrative functions by introducing one or two senior officers of the appropriate grade under him. The intention is to leave him comparatively free to pursue vigorously his main task of producing more steel

Another positive recommendation made is: "Performance" reports of important items where large capital investments have been made should be submitted within a period of one year after commissioning. These reports should indicate the performance in terms of capacity and financial justification specified and actually achieved. These would keep the top management informed of the correct position and prevent plants and equipment lying idle. This task, according to the committee, should be done by the Chief Industrial Engineer of each plant.

Describing the gap between management and workers as "wide", the report has called for immediate action to rectify this weakness.

In order to help increase India's exports, Union Ministry of Foreign Trade has set up a Working Group on Air Cargo to look into the bottlenecks coming in the way of exporters making use of air transport. The Group is headed by *Shri T. K. Sarangan*, Director (Transport) of the Ministry and includes representatives of Directorate-General of Civil Aviation, Central Board of Excise & Customs, Air-India, Indian Airlines Corporation, State Trading Corporation, and Operations Research Group, Baroda.

* * *

In its Twentyfirst report for the year ending March 31, 1971, the Union Public Service Commission while conceding review of recruitment rules (that have once been finalised), is critical of the persistence with which cases of irregular appointments in Government continue to occur. In many cases, the report reveals, such irregularities are either due to delays in the notification of recruitment rules on which the Commission has already advised or they are sought to be justified on the ground that some modification in the notified recruitment rules is under consideration. The Commission observes that all these have an adverse effect on the quality and morale of the public services.

The Commission also draws attention to the importance of evaluating the quality of personnel recruited by it by selection and through competitive examination. This could be done on the basis of assessment reports of the candidates' actual performance sent to the Commission regrets that it has not been furnished with reports in respect of candidates recommended on the results of the competitive examination and this explains its inability to carry out a comprehensive analysis of such candidates. As regards the candidates

taken in by selection, the report points out that over 95 per cent of them have (according to the analysis of their work during the first two years of their service) been adjudged to be satisfactory.

The National Conference of Laboratory Services, which met in New Delhi in the first week of March, has recommended the formation of a separate cadre of Health Laboratory services with the same prospects of promotion as those for other allied services. A separate budget and a post of a Director of Health Laboratory Services at the State level has also been advocated.

Greater cooperation between the health laboratory services, the family planning programme and the veterinary services was suggested by the Conference.

The exact functions of laboratories at district, State and Central level and the pattern of reference between them was also laid down by the Conference.

Sportsmen of distinction will get due weightage in the matter of recruitment to Central Government jobs according to an announcement made by *Shri Ram Niwas Mirdha*, Minister of State in the Ministry of Home Affairs. The Minister was addressing on February 16 in New Delhi the first meeting of the Chairmen and Secretaries of the High Power Committees and the Regional Sports Control Boards, organized by the Union Department of Personnel.

All Central Government employees paid from contingency, including work-charged staff, will be eligible for special casual leave with full wages if they go in for any of the family planning methods. This concession is applicable to all fulltime Industrial and non-Industrial Central Government contingency paid staff who have completed three months' service.

In affirming a judgment of the Jammu & Kashmir High Court, the Supreme Court on March 17 ruled that provisions of the Jammu & Kashmir Government Servants' Prevention of Corruption (Commission) Act, 1962, did not apply to the members of the All India Services.

The case involved Shri M. S. Farooqi of the Indian Police Service who brought action against the State of Jammu & Kashmir by challenging the jurisdiction of the Anti-Corruption Commission, set up under the above said Act, to hold an inquiry against him.

Delivering the Court's verdict, the Chief Justice pointed out that from the perusal of the provisions of the two statutory laws, namely, the All India Services (Discipline and Appeal) Rules, 1955, framed under All India Services Act, 1951, and the Jammu & Kashmir Government Servants' Prevention of Corruption (Commission) Act, 1962, it was impossible to escape the conclusion that the two cannot go together. The impugned Act provided for additional punishments not provided in the Central rules. It also provided for suspension and infliction of some punishments. For these reasons, the Act was repugnant to the provisions of the Central Rules insofar as the Act dealt with the infliction of disciplinary punishment.

The Chief Justice added: "Parliament has given clear indication that this is the only manner in which any disciplinary action should be taken against members of the All India Services and that the All India Services are outside the purview of the Commission Act."

The Government of *Gujarat* has decided that a temporary officiating Government servant satisfying certain conditions shall be deemed to be permanent in the respective posts for the purposes of pay, leave and leave salary, joining time, pension and certain special concessions, such as disability leave, hospital leave maternity leave, etc. One of these conditions is that he should have held continuously the post for a period of not less than 5 years.

Government of *Kerala* has raised in upper age-limit to 30 years for such posts in Government for which direct recruitment is prescribed has now been made applicable to most of the posts excluding a few, specifically listed out by the Government. This is subject to the usual relaxation applicable to the Scheduled Castes, Scheduled Tribes and other Backward Classes in the State.

The Government of *Madhya Pradesh* has announced payment of certain ex-gratia grants to the families of the personnel of the Indian Armed Forces who are bonafide residents of Madhya Pradesh, families of the personnel of the Indian Police Service allotted to the State, and of the personnel of the State Police Force including those on deputation, who were killed in military or defence action recently.

These grants will be given in addition to the pensionery benefits admissible to the family members of the deceased in accordance with the pension rules applicable to him.

Defence services personnel disabled in action and one member each of the families of the defence services personnel killed in the recent conflict with Pakistan will be given priority in the matter of recruitment to class III and IV posts in the *Maharashtra* Government services, which are filled otherwise than by promotion or through the Maharashtra Public Service Commission. For this purpose, the members of the family of such deceased defence services personnel would include, besides his widow, his sons, unmarried daughters, and near relations who agree to support his family.

Committees will be constituted at district level under the chairmanship of the district collector for preparing a list of such persons, indicating the posts in Government service for which these persons would be suitable with due regard to the qualifications prescribed for the post.

The Government has also directed that persons so listed should be given priority for appointment over the strike period recruits or retrenched personnel to be absorbed. Recruitment of such persons will remain in force for a period of one year in the first instance from January 7. The Government has also relaxed the age limit up to 40 years, in the case of these personnel.

In order to provide assistance to its employees and their dependents in times of such distress and in such situations which are not fully covered by the existing schemes of welfare, the Government of *Mysore* has constituted a Relief and Welfare Fund which came into effect from March 1, 1972.

The objects of the Fund will Generally be: (1) to give an outright grant of Rs. 1,000 (which may be enhanced with the growth of the Fund) to the family of an employee in the event of his death while in service; (2) to provide relief by way of interest-free loan—(*i*) in exceptional cases of prolonged illness or cases requiring prolonged treatment of the employee or members of his family, which is not covered by the

normal medical attendance rules and the expenses of which cannot be met from the normal income of the employee, and or (*ii*) in cases of prolonged illness of an employee, if the leave salary is not adequate for meeting his domestic expenses; (3) to give loan at a normal rate of interest of 5 per cent for performance of marriage of the employee or his sons or daughters and other essential social and religious ceremonies subject to adequate security and availability of balance at the credit of the Fund; (4) to grant scholarships to the children of employees on the basis of merit to acquire post SSLC education in circumstances not covered by the normal schemes of scholarships; and (5) to undertake such other social, recreational and cultural activities and measures which are calculated to promote the welfare of the employees.

* * *

In its Interim Report, the Expert Committee on Unemployment, set up by the Government of India in December 1970, has made a number of recommendations concerning unemployment in the country. The most important of these are: (1) allocation of funds for each district under the Crash Scheme for Rural Employment after taking into account its population, the state of agricultural development and other relevant factors; (2) undertaking of pilot projects on action-cum-study basis in small compact areas in selected districts to deal with all aspects of development which should progressively be able to provide employment in different economic pursuits to every person offering himself for work in that area; (3) assigning high priority to implementation of the scheme for Agro-Service Centres as it has potential for providing employment/self-employment to engineering graduates and technicians in the rural areas; (4) covering of an additional area of about half a million hectares at a total cost of Rs. 100 crores during the next two years for minor irrigation; (5) extension of rural electrification programme to cover 37,00[illegible] villages and provision of 3 lakh pump-sets over and above the existing plan targets, with an investment of Rs. 235 crores in such a manner that it helps comparatively backward States to come up to the national level; (6) devising of appropriate measures for elimination of any diversion of funds from the road programme and expenditure the funds earmarked for the programme; (7) formulation and initiation of large scale rural housing programme by Government creating suitable institutional agencies, such as Housing Boards, State-wise Rural Housing Finance Corporations (the Housing and Urban Development Corporation or a separate Corporation, if necessary, at the Centre may function as the apex organisation for financing rural housing); making efforts to undertake a rate of construction of 0.8 rural housing unit per thousand persons or 3.6 lakh new units in 1972-73 and 0.9 unit per thousand persons or 4.1 lakh new units for 1973-74 making a total of 7.7 lakh units at an estimated investment of the order of Rs. 230 crores over the next two years; (8) undertaking of a more comprehensive programme of expansion of primary education in immediate future by suitably phasing it to provide educational facilities for 95 per cent of the children of age group 6—11 and for 45 per cent of the children of the age group 11—14 by 1975-76; (9) immediate undertaking of a programme of mass literacy in 100 selected districts having large number of educated unemployed; (10) reducing to the minimum [illegible] underutilisation of installed [illegible] in various industries for [illegible] more employment; (11) setting up of an agency charged with the [illegible] overseeing the economic [illegible] state of affairs in an industry [illegible]

to deal with the problem of closure of 'sick' units and setting up of a separate corporation for the purpose with adequate revolving fund; (12) evolving increasingly purposive and fruitful role of banks in providing assistance to the various categories of self-employed persons; (13) making suitable institutional arrangements to look after the difficulties in the matter of raw materials, working capital marketing, etc., in a more organized and systematic way, on behalf of the entrepreneurs working in a particular locality of industry; and (14) exemption of unemployed persons from the payment of application fees and payment of travelling expenses to unemployed candidates when called for interview.

The Committee has set up one panel and five working groups to go deeper into one or more of the issues entrusted to them by the Government, *e.g.*, assessment of the extent of unemployment, and under-employment, financial and fiscal measures, industries, agriculture, education and the Fourth Five Year Plan.

The Committee is expected to submit its final report by October 1972.

Under a Government of India sponsored scheme, the *Kerala* Government will provide housing sites, free of cost to families of landless workers in the rural areas who do not already own a site or a house or a hut on land of their own. Covering all the Panchayat areas in the State, the tentative target fixed for each area is 100 sites. The selection of land, to be acquired either by negotiated purchase or by regular land acquisition proceedings, will be made by the concerned Panchayat. This will be finalised by a Committee to be constituted at the block-level with the Block Development Officer as the Convener. The District Collectors have been given instructions to take steps for the implementation of the scheme.

The Government of *Maharashtra* with effect from April 1, 1972, has decided to operate a Employment Guarantee Scheme in manual work for rural population throughout the State. The aim is to provide employment, preferably in productive works, to all persons in rural areas who demand it, and at wage-levels which would not conflict or interfere with normal agricultural operations. For this purpose, the 'district' will be treated as the basic unit and efforts will be made to cover all Panchayat Samiti areas in the District.

The Government of *Maharashtra* has accepted the recommendations made by the High Power Committee, appointed to examine the question of distribution of available grazing lands for pasture and cultivation to landless persons.

One of the recommendations of the Committee was that there should be a uniform scale for assigning lands as exercise grounds and pasture lands for cattle, the scale recommended for exercise ground being 0·40 hectare (one acre) of land (barren and unculturable) for 200 cattle unit.

The Committee had also suggested that the existing grazing land should be developed into pasture lands by a well planned scheme. This scheme is to be worked out by the Agriculture and Cooperation Department and implemented by the village panchayats. The village panchayats may sell the grass to cattle owners so as to cover the expenses incurred by them.

Each Zilla Parishad and Panchayat Samiti in *Maharashtra* has been directed to earmark and spend at

least 15 per cent of the financial resources raised by it since the inception of the Zilla Parishad Act for schemes or works specifically for the benefit of scheduled castes/tribes, nomadic tribes, 'Vimuktajatis' and 'Navabuddhas'. Another 15 per cent out of the funds sanctioned for the State sector schemes, but transferred to the Zilla Parishads for implementation, may be earmarked and utilized, wherever possible, for the benefit of these communities.

* * *

A 14-member National Committee on Environmental Planning & Coordination, under the chairmanship of *Shri Pitambar Pant*, Member, Planning Commission, will advise Government on all aspects of environmental conservation and improvement.

The expert Committee will identify and investigate the problems of preserving or improving the human environment in the country in the context of population growth and its distribution and economic development. It will examine policies and programmes which have a significant bearing on the quality of the environment and advise Government, public authorities and industry concerned, on environmental repercussions of the activities, programmes and policies and on matters relating to appropriate environmental management. It will also review existing legislation, and regulations and administrative machinery for environmental management and advise authorities concerned regarding necessary changes.

The Committee will cooperate with U.N. and other international agencies in environmental programmes of global concern, and keep close touch with developments in the [illegible] field in other countries. It will be serviced by the Department of Science & Technology, wherein an office of Environmental Planning & Coordination is being set up to deal with matters concerning the environment. The office will function under the direction and control of the Chairman of the Committee.

The term of the Committee will be for a period of two years.

Launching of studies on factors responsible for the gap between knowledge and practice of family planning methods, greater involvement of universities in demographic research and regular feed-back of research finding into the family planning programme after proper evaluation—were some of the recommendations of a Seminar convened by the Department of Family Planning in New Delhi on February 18.

The need to reorient the strategy and methodology of family planning to suit the changing socio-economic conditions, was also emphasized. Attended by about 50 researchers and academicians from universities and institutes (both in the public and private sector), the Seminar suggested that studies to find out reasons for high birth and death rates in selected areas, and on sex ratio at regional and district level and their inter-relationship with migrations should also be undertaken.

A study group, headed by the Chief Secretary, is currently examining the progress of family planning programme in *Orissa State.*

* * *

A 20-member experts Steering Group on education has been set up by the Planning Commission under the chairmanship of *Prof. S. Chakravarty* to formulate proposals for the development of education in the Fifth Five Year Plan in the light of the

progress expected to be achieved at the end of the Fourth Five Year Plan and perspective of overall development envisaged by the year 1988-89.

In addition to this Group, the Commission has also appointed 11 Task Forces to formulate proposals for elementary education; secondary education; university education, vocational and technical education; adult and out-of-school education; programmes and problems of youth; education and employment; art and culture; language development, book production and libraries; education finance; and machinery for educational planning and implementation.

The Task Forces will take stock of the position likely to be reached by the end of the Fourth Plan and identify bottlenecks and suggest remedial measures. They will also suggest a perspective of development from 1973-74 to 1988-89 in the light of the overall development envisaged in the Fourth Plan and will formulate proposals for the Fifth Plan, keeping in view the perspective, indicating priorities, policies and financial costs. The Steering Group will guide the work of these Task Forces.

Summing up its analysis of the examination system in the country, an expert committee of the University Grants Commission has recommended adoption of semester system by all the Indian universities (19 of them have already introduced it in one form or another). In the opinion of the experts, this would ensure an even distribution of the workload throughout the academic session and thereby reduce the strain on students.

A new social science research and training organization, which will be permanently located in the campus of the Bangalore University, came into being on January 20, 1972. Set up with a financial grant-in-aid from the Government of *Mysore*, it will be known as the "Institute for Social and Economic Change". Besides undertaking systematic studies on behalf of the State Government, the Institute will have its own programme of research, both fundamental and applied, on problems of development and change covering economic, sociological, demographic, educational, and organizational aspects.

Offering training courses for those engaged in developmental process, and conducting Ph.D and post-doctoral programmes of training and research will be other responsibilities of the Institute.

* * *

The Government of India has sponsored a project on "Rural Engineering Surveys" with twin objectives of collecting data for Rural Development Works and providing employment opportunities to the educated unemployed, particularly engineering and agricultural graduates and scientific personnel.

The scheme is being financed out of the sum of Rs. 25 crores provided during the current year for employment oriented schemes. In the first phase it has been introduced in 25 districts all over the country. This phase covers the remaining period of the Fourth Plan. With a view to making a selective approach in the initial stage, the scheme has been confined to the districts where the Rural Works Programme for chronically drought affected areas and the Crash Scheme for Rural Works Programme are in operation. Viable schemes identified by the Rural Engineering Surveys will, thus, be immediately available for execution under these programmes. The Government proposes to enlarge the scheme during the Fifth Plan providing for larger coverage.

Out of the 5,600 persons to be employed under this survey scheme, nearly half will be educated unemployed; like engineers, agricultural graduates and scientific and technical personnel and matriculates.

Secretary to the Government of India, Ministry of Irrigation and Power, is the Chairman of the Committee of Direction constituted for implementing the scheme.

The Evaluation Committee appointed by the Government of *Maharashtra* to examine and report on various aspects of Panchayati Raj in Maharashtra has submitted its report to the government.

The report disapproves of any radical changes in the present basic structure of local bodies, and does not find it necessary to include M.Ps., M.L.As. and M.L.Cs. in the Zilla Parishad body. In the opinion of the Committee, it would be anomalous to include the representatives of a higher body (the State Legislature) in the lower body (the Zilla Parishad). On the other hand, adds the Committee, it would be more appropriate to form a separate Coordination Committee outside the Zilla Parishad to be called "Planning and Review Committee". Such a Committee can provide a forum for associating and informing the legislators.

The future Gram Sevaks should be Agricultural Graduates, says the report. Their charges should be reasonably manageable. They should be provided on the following basis: (*i*) In the long run every Village Panchayats should have its own Gram Sevak; (*ii*) Village Panchayats with population below 500 should be grouped for the purpose of allotment of Gram Sevaks; and (*iii*) Panchayats having more than 500 population should be given one Gram Sevak. The present gradations of Gram Sevaks should also discontinue. There should be only one type of Gram Sevak who would be equivalent to the present Junior Gram Sevak.

The Committee has recommended abolition of existing District and Divisional Selection Boards and the establishment of a Local Service Commission for recruitment of the Panchayati Raj personnel in their place. It has also urged the State Government to create a separate Institute at the State-level for organizing training of about 1,500 officials and non-officials of the Panchayat Raj bodies.

An 18-member Committee, headed by *Shri Jagan Prasad Rawat*, M.L.A., (a former Minister), has been set up by Government of *Uttar Pradesh* to review the U.P. Panchayat Raj Act, 1947 and the Zilla Parishad Act, 1961. The former Act had established Gaon-Panchayats at the village level and the latter, Khyetra Samitis at the block level and Zilla Parishads at the district level.

The working of these institutions during the last 8-9 years has not been satisfactory mainly for defective organization, deficiencies in the election procedures and lack of financial resources. The Committee will review and examine the structure, economic resources and functions of these institutions and suggest changes to augment the resources and make them more effective and dynamic. It will also consider the desirability of creating a composite Act for the 3-tier democratic Panchayat Raj institutions and how far their functions, duties and authority may be fixed so that they may have within themselves a proper coordinated approach and may be complementary to each other in public interest.

• • •

The National Commission on Agriculture has submitted to the Union Government three interim reports, dealing with fertilizer production and distribution, seed multiplication, and certain aspects of agricultural research.

The Commission has brought out several deficiencies in the existing system of fertilizer production and distribution and has suggested a number of measures for removing them. In this connection, it has proposed setting up of a special team for making a realistic estimate of requirements of fertilizers.

In its report on seed multiplication, the Commission has assigned to various agencies the responsibilities with regard to multiplication and distribution in different stages—breeder seeds being left to research institutions and to the Indian Council of Agricultural Research, foundation seeds to the National Seeds Corporation and to the State Governments, and certified seeds to a multiplicity of agencies. The responsibility for assessment of the requirements of seeds at various stages has been left to the production-and-marketing agencies, subject to supervision and coordination by the Central and State Governments.

It is the Commission's view that while agricultural universities should take care of fundamental and applied research, the State agriculture departments should handle adaptive research.

Having decided to accept, in principle, the need to enforce minimum wages for agricultural labourers throughout the State, the Government of *Maharashtra* has constituted a Committee, with the State Labour Minister as its Chairman. The Committee, after examining the present position, taking into account all the relevant factors bearing on the prevailing wage-levels in different areas, will make recommendations on: (*i*) the level of minimum wages to be prescribed for men, women, and children including the equivalents in kind, and (*ii*) the methods and procedures for the enforcement of the minimum wages for agricultural workers.

The Government of *Rajasthan* has constituted a permanent Coordination Committee to review and evaluate the progress of various minor irrigation schemes in the State. The Committee will also act as coordinator amongst the various departments of the Government in implementing the schemes.

The Government of *Uttar Pradesh* appointed in January 1972 the "U.P. Irrigation Commission" with Shri Chaturbhuj Sharma, a former Minister, as Chairman with 22 other members, including officials, non-officials, members of both Houses of Legislature, representatives of Central Water and Power Commission and Geological Survey of India, and some economists.

The Commission, among other things, will assess all the available water resources in the State and consider their utilization for all purposes, *viz.*, hydel, irrigation, industrial and domestic use on long-term basis including administrative and organizational set-up for planning and speedy execution of irrigation work. The Commission will also consider the question of imposing irrigation cess and betterment levy in the benefited areas, and to suggest methods and procedure for their recovery.

* * *

To keep up the pace of industrial production and uninterrupted transaction of business in government

offices, the Union Government has laid down new rules for observing public holidays on account of death of dignitaries.

According to official instructions issued to this effect on January 30 henceforth industrial establishments will be closed only in the event of death of the President of India—closure to be *only* on the day and at the place of funeral. A public holiday will also be declared on that day at these places.

Offices of the Central Government will remain closed throughout the country only on the death of the President, the Vice-President and the Prime Minister. In the event of death of a Union Cabinet Minister the office at Delhi only will be closed for half-a-day and on the death of a Minister of State or Deputy Minister such closure will be confined to offices which are directly under his charge.

On the day of funeral of a deceased President or Prime Minister, Central Government offices will be closed throughout the country, but in other cases the closure will be for half-a-day at the place where the funeral takes place to enable the officers and staff of the concerned offices to attend the funeral.

Except for half-a-day's closure in the event of death of a Governor or Chief Minister at the capital of the State and also at the place where the death or the funeral takes place, the Central Government offices will not be closed in the event of death of any dignitary of a State or Union Territory. Similarly, State Governments and the Governments and Administrations of the Union Territories also need not follow the drill laid down for Central Government offices, except in the event of the death of the President or the Prime Minister.

The Union Government issued revised instructions on February 20 regarding State mourning, State funerals and half-masting of the national flag on the death of high dignitaries. Some of these are given below

The period of State Mourning throughout the country will be 13 days in the event of the death of the President, 12 days for the Prime Minister and 7 days for a former President. In the case of the death of a Governor, it will not be more than 7 days within the State concerned. When a Chief Minister dies, ordinarily there will be no State mourning but in individual cases the State Government may order it for a period not exceeding 7 days. Unless there are special instruction from the Union Government, there will be no state mourning in the case of the death of any other dignitary. There will be no official entertainment during the period of mourning

In the event of the death of the President, the Prime Minister, a former President or a Governor, a State funeral will be accorded. Ordinarily no State funeral will be accorded in the event of the death of any other dignitary. A State funeral will be attended by all the gazetted officers of Government who may be present in the Station. Civil officers will wear appropriate mourning dress. Crape bands will be worn by military officers in uniform.

Half-Masting: In the event of the death of the following dignitaries the National Flag will be half-masted at the places indicated against each on the day of the death of the dignitary (please read in this order: Dignitary—place or places): President, Vice President, Prime Minister—Throughout India; Speaker of the Lok Sabha, Chief Justice of India—Delhi; Union Cabinet Minister—Delhi and State Capitals; Minister of

State or Deputy Minister of the Union—Delhi; Governor, Lt. Governor, Chief Minister of a State, Chief Minister of a Union Territory, Chief Executive Councillor, Delhi—Throughout the State or Union Territory concerned; and Cabinet Minister in a State—Capital of the State concerned.

Half-Masting of flags and, where necessary, observance of State mourning on the death of foreign dignitaries will be governed by special instructions which will be issued from the Ministry of Home Affairs in individual cases.

The Central Board of Trustees of Employees' Provident Fund, which met in New Delhi on February 1, has recommended an increase in the rate of interest on the provident fund accumulation from 5.80 per cent to 6 per cent per year.

The Trustees also urged the Government of India to liberalise the pattern of investment of the provident fund so as to give more returns to the hard-earned savings of the labour force in the country.

Starting with 6 major industries in 1952, the Provident Fund Act had been made applicable to 126 industries/classes of establishments till the end of December, 1971. There were 60,51,495 subscribers at the end of September 1971.

DIGEST OF REPORT

MAHARASHTRA, REORGANIZATION OF MAHARASHTRA ADMINISTRATION (*Report by Shri M. N. HEBLE*), Government of Maharashtra, 1971, Vols. I & II.

On June 12, the Government of Maharashtra decided to institute an inquiry into the reorganization and rationalization of the administration in its Departments with the following objectives:

(i) to establish the minimum staff necessary to carry out the assigned tasks and responsibilities efficiently and effectively;

(ii) to assess the excess or surplus in the existing staff strength in relation to the established minimum; and

(iii) to recommend how the administrative machine could be reduced to the minimum size, consistent with efficiency and effectiveness without causing undue personal hardship.

Shri M. N. Heble, Commissioner (Administrative Reorganization), was appointed on August 1, 1968 to conduct the inquiry, and he submitted his 567-paged report to the Government of Maharashtra on March 31, 1971.

The Commissioner, assisted by Study Teams, examined the working of the entire structure of the machinery of Maharashtra Government and in keeping with the objectives, made detailed recommendations thereon. While abolition of many posts at different levels has been suggested, creation of a few posts has also been occasionally proposed. There is an effort to ensure single line of authority, wherever possible. Re-allocation of work and re-distribution of responsibilities has been attempted. In an effort to reduce the administrative machine to the minimum, much of the present work is assigned, among others, to two major categories of agencies — *Zilla Parishads* and Agricultural Universities. Along with the reorganization of administrative work, integration of some of the allied services and functions, it is felt, should be achieved.

We have selected 167 out of 449 recommendations, for reproduction. We thought that these would particularly be of interest to readers, everywhere. Some of the recommendations have been reproduced only in part. Serial numbers of recommendations are those given in the original Report. Headings under which the recommendations have been grouped have also been taken from the original report.

SELECTED RECOMMENDATIONS

THE SACHIVALAYA : CONDITIONS OF WORK

4. **Systematic organization of work involves not only punctual attendance in the morning but also keeping to regular hours, even when it comes to**

closing time. It may not be unreasonable to expect that even the Ministers may organize their work with the Government servants in such a manner that the latter are not detained much beyond the prescribed hours day after day or even frequently.

Factors Contributing to Efficiency

6. In regard to submission of cases by Deputy Secretaries direct to Ministers, it is necessary to ensure that the Secretary remains in the picture all the time and is not short-circuited. In all policy matters, the proposals should be submitted through the Secretary. The Secretariat staff below the level of Deputy Secretary should not have direct access to the Minister, except that Under Secretaries in charge of the business of the Legislature during the Legislature session may be utilised for liaison between the Minister and the Department.

7. Before action is taken on complaints to Ministers by local 'Social Workers', it is desirable that the complaints are referred to senior Administrators and, in suitable cases, the persons complained against get a chance to place their version before the Government.

8. Rationalisation of the administration is hardly possible or worthwhile if considered decisions of Government are reopened when there has been no change in the underlying circumstances. It is for Government to consider how far it may practise self-discipline.

9. There should be a single head for every Department. The practice of appointing Additional Heads of Departments should cease. Wherever there are Additional Heads of Departments, they may be given alternative designations and their functions and responsibilities redefined by the Heads of Departments.

10. It is time that the cabins in the Sachivalaya and in other offices were generally pulled down. The best seating arrangement would be to have big halls with a gangway in the middle marked off by railings and with officers and staff sitting together on both sides. For confidential discussions or dictation when required, two or three chambers with glass panels may be provided in each Department.

11. The supervisory posts, other than technical, in all the executive departments and in the Sachivalaya may be pooled together and appointments to these posts made from a common list of persons from all the departments who have passed the necessary qualifying examination for such promotion. Before this recommendation is given effect to, it would be necessary to introduce a greater degree of rationalisation in the pay scales and to bring about greater uniformity in the supervisory posts.

12. All new entrants to service as well as old persons taking up an appointment for the first time should receive training or orientation in respect of their duties before they are called upon to discharge the duties of the post. The practice of placing such persons on special duty for a limited period, followed in the Sales Tax Department in the past, should become more general.

13. While Government is making strenuous efforts to facilitate the use of Marathi in Administration, it may be necessary, with the role given to

Hindi as the National Language, to take similar measures for facilitating the use of Hindi wherever the use of that language is required by the Administrators. With regard to English also, some special measures may be necessary for training new recruits to Government service so long as this language continues to play its role in Administration.

15. The time honoured staffing policy of Government, which is post-oriented, should give place to a policy more in tune with that which Government has enjoined on private industry. Common Leave and Pension Rules applicable to permanent and temporary Government servants should be framed and pension or other terminal benefits sanctioned on the basis of length of service as recommended later.

16. Delegation of powers and responsibilities to the maximum extent feasible and the exercise of such powers and responsibilities by those to whom they are entrusted are a key to the reduction of the size of the administrative machine.

19. Utmost importance should be given to the systematic maintenance of files containing standing orders, rulings, and decisions. The Standing Order files should be kept subject-wise . . . .

20. The work of the house-keeping sections of Government offices such as Cash and Accounts, Registry and Establishment should be periodically reviewed and the requisite additional staff provided.

Norms or Yardsticks of Workload

21. It does not seem feasible to lay down a yardstick for disposal for noting work in the Secretariat. The distribution of work among the different branches and members of each branch would have to be left to the best judgment of the Branch Officer and Superintendent concerned.

The Role of the Sachivalaya

24. It is the primary function of the Administrative Departments to advise Government on the formulation of policy by keeping themselves in touch with day to day developments and details. The Secretariat officials ought to be able to assist the Ministers in the business of the Departments before the Legislature, including question that may be raised in the Legislature, and to handle meetings with officers of the Government of India who may come for discussions with regard to the plan, etc., without requiring the Heads of Departments to be present in the Capital, save in exceptional cases. The standard practice of asking Heads of Departments to furnish detailed information and notes on each and every Assembly/Council question or on other matters that may arise for the consideration of Government should cease. General instructions may be issued that, whenever information is required in respect of a District, the communication should invariably be addressed to the District level officer directly and the reply received from him should suffice.

25. At least certain percentage of the posts in Sachivalaya at the Assistants' level and above should be filled by staff drawn from the Offices of the Executive Departments. The staff recruited directly into the Secretariat should not be held eligible for promotion beyond the stage of Superintendent

until they have completed at least three years' service in a post in an Executive Department, outside the Secretariat. At the level of the Under Secretaries and above also there should be a considerable amount of recruitment from the Executive Departments. . . .

26. All Executive Heads of Departments with the exception of the Chief Electoral Officer and the Director of Rehabilitation should cease to have Secretariat status.

27. Though there has been widespread acceptance in theory of the role which the Sachivalaya is called upon to play, in practice, there is a tendency for the Secretariat Officers to function as Superior Officer of the Heads of Departments associated with them. If, in making the appointments of Heads of Departments, the administrative abilities of the persons are fully taken into account, the actual administration of the Executive Departments could be safely entrusted to the Heads of Departments. It would seem appropriate that a seasoned administrator should be appointed as second-in-command in all major departments to assist the Heads of Departments in looking after the administration. There would then be no justification left for the Secretariat Department inspecting the Executive Departments and their subordinate offices.

28. There should be a single Secretary at the head of a Secretariat Department.

31. The practice followed in the old Bombay State of Assistants (except very junior ones) and Superintendents submitting direct to the Deputy Secretary cases which clearly are not within the competence of the Under Secretary to decide, described as 'level jumping', requires to be restored firmly.

32. Officer-orientation is not intended to replace well-established principles of division of labour and delegation of responsibility at appropriate levels but is only complementary to these principles.

The Schivalaya Departments

33. . . . an arrangement equating unequals is not proper and should not be resorted to in future.

34. As a result of the recommendations made in this report, the co-ordination of Plan programmes at the district level and below will be effectively done by the Zilla Parishads and, at the State level, the Planning and Finance Secretary will be attending to all the functions of the Development Commissioner. The independent post of Development Commissioner may be abolished.

36. The continuance of the post of a Secretary to assist the Chief Secretary in the work of the General Administration Department is necessary.

38. Having regard to the volume and complexity of Personnel Administration and other miscellaneous work handled by the General Administration Department, an additional post of Secretary . . . would be required.

39. The newly created Department of Cultural Affairs may be transferred from the General Administration Department to the control of the Education, Sports and Social Welfare Department.

40. Internal Financial Advisers should be appointed for each Department. In all matters pertaining to the administration of the Department, the Secretary of the Department would have the benefit and participation of the Financial Adviser. The latter will, however, be under the administrative control of the Finance Department. Cases of disagreement between the Financial Adviser and the Secretary of the Department should be referred to the Secretary, Finance Department. The Financial Adviser should be required to submit to the Finance Secretary a Weekly Tabulated Statement of the cases which were agreed to in relaxation to the rules.

42. It does not at all seem necessary that the Directorate of Small Savings should exist as a separate entity. Its publicity function could be handled by the Directorate of Publicity; its liaison functions should be transferred to the Revenue and Forests Department.

43. The Directorate of State Lotteries should be a part of the Revenue and Forests Department; the Publicity part of the State Lottery scheme could be undertaken through the Directorate of Publicity.

44. It would be rational and desirable to place the Sales Tax Department under the Revenue and Forests Department.

45. The work relating to the financial rules governing the conditions of service of Government employees should be transferred from the Finance Department to the General Administration Department. As the Finance Department would be left mainly with matters relating to Planning and Development and overall financial policy, it should be re-designated as Planning and Finance Department.

46. The Finance Department will lay down, for the Administrative Departments to follow in financial matters, guidelines, norms, etc. involving substantial delegation of powers to Administrative Departments and from Administrative Departments to Heads of Departments and to Heads of Offices. The personnel of the Finance Department who will hereafter function in the Administrative Departments should be oriented into a broader outlook by giving them special training in suitable institutions. The Internal Financial Advisers in the Administrative Departments will also act as Advisers to Secretaries of those Departments in the exercise of the delegated powers.

47. . . . The norms laid down at the initial stages by the Planning and Finance Department should be subject to review at intervals of about five years in the light of the results of Work Study. The number of Work Study Teams in the General Administration Department should be augmented in order to keep up a continuous review of guidelines and norms. They should also be given training in Inventory Control and Management. The results of the independent assessment made by the Work Study Teams could be used both by the Finance Department and the Administrative Department concerned for regulating their day to day business.

48. The Rural Development Department should be made squarely responsible for processing all schemes and the issue of orders on all correspondence received from Zilla Parishads.

49. The Food and Civil Supplies Department should cease to be a separate Department. The Cooperation and Fisheries wings of the

Agriculture Department should be combined with the residual functions of the Civil Supplies Department to form a new Department, which may be called Cooperation, Fisheries and Civil Supplies Department. The Forest Department should be transferred from the Revenue to the Agricultural Department which should be re-named Agriculture and Forest Department.

50. Police Prosecutors, Assistant Commissioners of Sales Tax, Assistant Commissioners of Labour, Deputy Collectors, Deputy Superintendents of Police and Deputy Registrars of Cooperative Societies, after having put in five years of service in their respective cadres, may be drafted into the law and Judiciary Department as Under Secretaries on a minimum tenure of five years. Similarly, Collectors and District Superintendents of Police with a minimum of three years' service in their respective senior time scales may be taken up through an orientation course in Law of about six months' duration. Lecturers and Professors in the Government Law College may also be drafted into the Law and Judiciary Department. It would also be desirable that the system of appointing junior practising lawyers as part-time lecturers in the Government Law College is replaced by a system of full-time appointments, with prospects of being drafted into the Law and Judiciary Department.

51. There should be frequent informal consultations on points of interest in law between all officers of the Law and Judiciary Department. Senior officers of the concerned Departments in the Sachivalaya and in the Executive Departments should also be invited to participate in these discussions.

53. The present system of complete specialisation and division of the drafting and advice sides into water-tight compartments should be replaced by a system in which proposals for drafting are dealt with at the preliminary stage in the Opinion Branch itself and referred to the draftsman after being duly vetted. Similarly, there is room for greater coordination between the experts in the Opinion Branch and those in the Litigation Branch who brief the Attorneys and Counsel.

56. The work of maintaining the centralised index of case law and opinions and the Library could be placed under an Under Secretary who has both knowledge of law and has received some training in Library Science.

58. In order to attract better talent to the posts of Police Prosecutors, it would be desirable to create full-time posts of Assistant Public Prosecutors in Bombay to look after the voluminous criminal work in the Sessions Court. These posts should be on par with the Under Secretaries. Similar posts could be created at other places where the criminal work is sufficiently heavy. . . .

59. . . . It may not be proper to burden the High Court with the task of selecting and recommending to Government persons for being placed on the panel of Assistant Government Pleaders.

60. It may also be examined whether it would be more advantageous and economical to appoint full-time Advocates to assist the Advocate General.

61. When there are more than one Personal Assistants in the office of a Minister, one of them should be designated as the person who will be held accountable for all the files received in the Minister's Office.

THE VILLAGE LEVEL

62. For agriculture and allied development activities there should be only one multi-purpose worker at the village level, *viz.*, the Gramsevak. The total strength of Gramsevaks in a district should be arrived at on the basis of one Gramsevak for about 2,200 population and it should be suitably by the Zill a Parishad having regard to the population of the villages, the difficulties in respect of terrain and also any special programmes being undertaken in particular areas.

63. There should be an integrated cadre of Gramsevaks, of which 20 per cent of the posts should be in the grade of Senior Gramsevak. Recruitment should be confined to those with the minimum qualification of S.S.C. and who possess in addition a University diploma in Agriculture. The cadre of Gramsevikas may be abolished.

Those of the Assistant Gramsevaks recruited prior to 1962 as Panchayat Secretaries who have already attained the age of 45 years may be absorbed in the cadre of Gramsevakas according to their seniority after they undergo successfully a re-orientation course of about six months in agriculture and allied activities. The other Assistant Gramsevakas may be required to undergo successfully two years' course at the Gramsevak Training Centres and qualify themselves for absorption as Gramsevaks. The present incumbents of the posts of Gramsevikas, subject to their suitability may be trained and absorbed as Auxiliary Nurse Midwives.

64. All public health activities at the village level (except Maternity and Child Health) should be combined and entrusted to a Basic Health Worker.

BLOCK LEVEL ADMINISTRATION

66. The post of Extension Officer (Co-operation) should be abolished. Such work relating to Co-operation as may be have to be done at the block level should be attended to by the Extension Officer (Village Panchayat) with the assistance of Gramsevaks.

67. The post of Extension Officer (Industries) should be abolished and their work transferred to the District Industries Officer under the Collector and ex-officio Deputy Industries Commissioner.

68. The post of Social Education Area Organisers should be abolished.

69. The posts of Mukhya Sevikas should be discontinued and the incumbents absorbed in the cadre of Extension Officer (Education).

70. Each Extension Officer (Village Panchayat) should have 30 to 35 Village Panchayats, the Extension Officer (Village Panchayat) at Block headquarters being given not more than 15 Panchayats, to enable him to attend to the office work pertaining to the Village Panchayat Section of the Block Office.

71. There should be only one class of supervisory officials above the Gramsevak for Agriculture, to be called Agricultural Supervisors, in the Grade of Rs. [illegible]—10—[illegible]—E.B.—15—400. There should be one Agricultural

Supervisor for every 10 Gramsevaks. Each Supervisor should have a clearly defined territorial charge. In addition to supervising and controlling the work of Gramsevaks, the Agricultural Supervisor should render direct help and guidance to progressive cultivators . . . .

72. Fifty per cent of the posts of Agricultural Supervisors should be reserved for direct recruitment of agricultural graduates; the remaining posts should be filled by promotion of experienced and efficient Gramsevaks who should be required to unedergo successfully special refresher courses to be conducted by the Agricultural Universities.

73. The posts of Extension Officer (Animal Husbandry) should be abolished and the work of supervision over the Veterinary Aid Centres entrusted to the Veterinary Officer in charge of the dispensary at the Block headquarters. A post of Livestock Supervisor should be attached to such dispensary to assist the Veterinary Officer.

76. The senior most Education Officer among the Education Officer in a Panchayat Samiti may be designated as the Taluka Education Officer. He will assist the Block Development Officer in co-ordinating the activities of all Extension Officers (Education).

77. The complaint that Extension Officers (Education) are burdened with work other than that of their department is not justified. Public servants cannot insist that they would only attend to the work of their own department. Care should, however, be taken to see that, in the ordinary course, extra-departmental work is given to them only with their jurisdiction.

78. The practice of isolating the Panchayat Samitis from the works and schemes of the *Zilla Parishads* and getting them executed through the Sub-Divisional Officer who is held directly responsible to the Executive Engineer of the Parishad, is contrary to law and should be replaced by procedures in conformity with the law. The Sub-Divisional Officer should be responsible to the Block Development Officer for all works in the Local sector in the block. He will continue to be responsible to the Executive Engineer for the technical part of his duties.

80. The Senior Extension Officer (Works) may be authorised to accord technical sanction to works costing up to Rs. 20,000.

81. There should be one Senior Extension Officer (Works) for every Panchayat Samiti . . . .

82. The existing dispensaries in the Blocks may be utilised for providing preventive facilities also by upgrading them to Primary Health Centres as and when necessary resources become available or by treating them as sub-centres of the neighbouring Primary Health Centres . . . .

83. The Zilla Parishad dispensaries in the Municipal areas may be shifted to the rural areas as the Municipalities take over the responsibility for providing medical facilities in their areas.

85. Of the two types of mobile units, *viz.* Mobile Family Planning Unit and Mobile Sterilisation Unit, one may be discontinued and the other diverted to the interior areas not covered by the Primary Health Centres.

86. The role of the Medical Officer either at the Primary Health Centres or at Zilla Parishad dispensaries should be not only to attend to the patients but also to supervise, guide and control all the public health activities in his area. An intensive orientation course for this purpose is recommended.

88. The Medical Officer of the Primary Health Centre will be directly responsible administratively to the Block Development Officer and to the Panchayat Samiti.

89. The post of Block Development Officer should be upgraded to Class I and added to the cadre of Deputy Collectors. Officers from this cadre, when posted as Block Development Officers, should be required to undergo an orientation course in developmental activities within six months of their appointment, unless they have already undergone such a course. The powers of the Chief Executive Officer under section 125 of the Zilla Parishads Act may be delegated to the Block Development Officer to the extent of Rs. 5,000 non-recurring expenditure and Rs. 2,500 recurring expenditure.

92. It is necessary that a Class II Agricultural Officer should be posted in each Block, who could be designated as a Block Agricultural Development Officer. He will be responsible for the implementation of all agricultural development programmes within the block and will function under the Block Development Officer.

93. There should be an Office Superintendent (Class III) to assist the Block Development Officer in office supervision and control. The Office Superintendent should be declared as Drawing and Disbursing Officer. The existing Assistant Block Development Officers in the Tribal Development Blocks should be replaced by Office Superintendents.

DISTRICT LEVEL ADMINISTRATION—ZILLA PARISHAD

95. The post of Revenue Officer may be abolished along with the Revenue Branch.

96. The post of Planning Officer should be abolished and the Planning Branch placed under the District Statistical Officer, who should function under the Deputy Chief Executive Officer. The responsibility for planning will in the final analysis be that of the Chief Executive Officer.

98. All Social Welfare programmes should be implemented through the field staff of various departments at the Panchayat Samiti level and below.

99. The post of Social Welfare Officer as well as the Social Welfare Department at the district level may be abolished. The Deputy Chief Executive Officer, who now attends to the Social Welfare work in the Standing Committee as its Secretary, could attend to this work as Secretary of the Social Welfare Committee when constituted as recommended by the Administrative Reorganisation Committee.

103. A separate accounts cadre should be built up by offering the choice to new recruits to opt for the accounts line or the general line, and also by giving training to such of the existing Clerks and Senior Clerks who opt for the accounts cadre.

107. The multi-purpose institutions of Veterinary Polyclinic and Artificial Insemination Centre at the district level, the Veterinary Dispensary for a group of Veterinary Aid Centres and the Veterinary Aid Centre for a group of villages should constitute the nuclei for all animal husbandry activities under the Zilla Parishad. All future expansion should be effected either by strengthening or multiplying these institutions as and when the need arises.

111. The present scheme of concessions to the Economically Backward Classes may be scrapped and replaced by one of providing free secondary education to all. If it is only a question of resources, it should be possible to restrict the scheme to rural areas and backward regions.

112. The setting up of a duplicate organisation, such as the "District Supervisory Unit" proposed in the White Paper on Education, for purpose transferred to the Zilla Parishad, would be retrograde and is opposed to the principle of democratic devolution. Instead of dissipating the available resources by creating such parallel organisations, these resources could well be utilised for improving the quality or education.

113. Each Deputy Education Officer should have a clearly demarcated territorial jurisdiction. The Deputy Education Officer should be provided at the rate of one for 40 secondary schools . . . .

115. Each Zilla Parishad Education Office should have three branches, *viz.*, those dealing with primary education, secondary education and administration, each under a Superintendent . . . .

117. The entire work relating to the administration of the Maharashtra Co-operative Societies Act should be re-transferred to the Co-operative Department.

120. The work of sanctioning financial assistance under the State Aid to Industries Rules and the administration of the Training-cum-Production Centres should be entrusted to the District Industries Officer. The Co-operation and Industries Department should be abolished.

121. The Public Health Officer should be responsible for all public health programmes in the district . . . .

122. The Civil Surgeon will be responsible for the civil hospital and the cottage hospitals. It will not be necessary for him to inspect the taluka dispensaries.

The Role of the Collector in Panchayati Raj Administration

123. All election work in the Collector's Office should be centralised in a single-Election Branch. Periodic orientation and refresher courses should be held for those working in the Branch.

Inspection and Supervision over the work of Village Panchayats, Panchayat Samitis and Zilla Parishads

127. The Extension Officer (Village Panchayat) should be held primarily responsible to ensure that the Village Panchayat Daftar is properly maintained . . . .

130. . . . To the extent that technical supervision by the senior experts of the State Government is considered necessary, it should be ensured that the

technical experts do not dissipate their energies in re-enumeration or collection of data already available and of data of no significance for technical purposes.

THE DEVELOPMENT ADMINISTRATION AND PANCHAYATI RAJ—THE STATE SECTOR

132. The trial-cum-demonstration farms and other demonstration units should be transferred from the Directorate of Agriculture to the respective Agricultural Universities.

133. All institutions and programmes such as agricultural schools, gramsevak training centres, soil conservation training centres, stockmen training, etc. which are required, under section 7 of the two Agricultural University Acts, to be transferred to the Universities, should be so transferred with the least possible delay.

134. All extension programmes at the level of the District and below should be transferred to the Panchayati Raj institutions.

135. Though the agricultural engineering schemes of boring of wells, blasting of wells and tractor ploughing have been transferred to the Zilla Parishads, the machinery, vehicles and implements continue to vest with Government. This dual control should be abolished and all the machinery etc. should be transferred to the Zilla Parishads.

136. The power-operated plant protection appliances should be transferred to the Zilla Parishads.

137. All workshops established for the maintenance and repairs of tractors, boring machines, vehicles, etc. should be transferred to the Zilla Parishads.

148. The compost development programme as also other extension programmes which still continue in the State sector should be transferred to the Zilla Parishads.

152. The existing multiplicity of agencies for distribution of agricultural inputs should be done away with.

153. The seed processing plants should be transferred to the Zilla Parishads.

160. The controlling authority for the sub-head providing for grants-in-aid to the Agricultural Universities should be the Secretary, Agriculture.

ANIMAL HUSBANDRY DEPARTMENT

166. The institutions established for research, teaching or education, viz. cattle, buffalo, sheep and poultry breeding stations, Wool Analysis Laboratory, Poona, Diploma Course for Livestock Supervisors and the Poultry Training Course at Kirkee, should be transferred to the respective Agricultural Universities.

167. The recommendation of the Administrative Reorganisation Committee regarding the transfer of extension programmes such as the key village scheme, intensive poultry development blocks and intensive cattle

development projects, etc. to the Zilla Parishads should be implemented expeditiously.

169. The District level dispensaries should be upgraded to provide the facilities of Polyclinics and District Artificial Insemination Centres. The Veterinary Hospitals and Disease Investigation Units as such should be abolished. A suitable system of co-ordination between Agricultural Universities and the Zilla Parishads should be developed so as to take up field problems through Veterinary Dispensaries at the Block level and the Polyclinic at the District level to the Universities for research (investigation) and subsequent dissemination of the results.

180. With the transfer of schemes to the Zilla Parishads and the Universities, it should be possible to reduce the administrative staff in the Animal Husbandry Department by about 50 per cent within three years or so.

THE CO-OPERATIVE DEPARTMENT

190. An independent Directorate of Agricultural Marketing should be set up, which should be responsible to Government through the Department of Agriculture in the Sachivalaya . . . .

198. Considering the limited functions that would remain at the State level, only three Joint Registrars at the headquarters should suffice, as against the existing seven . . .

THE EDUCATION DEPARTMENT

201. The training of candidates leading to the Primary Teacher's Certificate should be left to private sector training institutions and Government should withdraw from this field. In service training of trained Primary Teachers should, however, continue to be handled in the State sector.

202. The Department will have to consider the expansion of the existing facilities for training of Secondary School Teachers in the light of the available resources in a phased manner. The establishment of Secondary Training Colleges, whether by Government or aided institutions, should remain a subject in the State sector.

206. The inspection of the offices of Municipal School Boards should be entrusted to the Education Officer of the Zilla Parishad, who should also be authorised to deal with the audit objections raised by the Local Fund Audit.

207. The Education Officer of the Zilla Parishad should be authorised to sanction pensions to secondary teachers; the powers of appeal, revision etc. should be vested in the Regional Deputy Director.

208. There should be a single authority, *i.e.*, the Government, for granting recognition to secondary schools.

213. The State Institute of Education should not function as an 'academic wing' of the Directorate of Education. Instead, it should take upon itself the functions of training and research on problems of immediate interest to the Education Department.

215. The State Institute of Science Education and the State Institute of English should be merged with and function as a part of the State Institute of Education.

217. The status of the Director of the State Institute of Education should not be linked to a post in the hierarchy in the Directorate of Education. The orders of Government designating the Director of the State Institute of Education as Ex-officio Joint Director of Education is an example of the tendency of the Sachivalaya to dictate to the executive departments as to the distribution of work in their office, a tendency which should be deprecated.

219. Corporations, Boards, Societies, etc. subject to Government control should not be allowed to offer shelter to public servants for whom there is no room in the Administration on account of their misdemeanours and/or incompetence.

224. The post of Deputy Director of Education (Social Education and Committees) and that of Deputy Director of Education (Planning) should be combined into a single post....

HEALTH SERVICES DEPARTMENT

230. The post of Commissioner for Family Planning and Deputy Secretary to Government should be abolished and the Director of Public Health should be charged with the responsibility for the Family Planning programme.

234. Large hospitals create their own problems. Particularly, in regard to specialised institutions like the Mental Hospitals, Government should consider whether it would not be proper to set up new institutions in different parts of the State rather than to go on increasing the size of institutions concentrated in a few places.

235. The question whether talented physicians/surgeons should be required to waste their talents on the administration and house-keeping side of the hospitals, even if it is assumed that they have the requisite administrative abilities, and whether a Non-Medical Administrator should not appointed to assist them, requires careful thought and study. Another question which requires careful thought and study is whether it would not be in the long-term public interest to man the public hospitals almost exclusively with full-time Government servants on the medical side also. Allied to this question is that of private practice by Government doctors.

SOCIAL WELFARE DEPARTMENT

236. The Divisional Offices of the Social Welfare Department should be abolished and the work of technical guidance and supervision carried out with the help of functional officers in the Directorate. The work done by the Lady Welfare Officer should be entrusted to the field staff of the Panchayat Samitis. The residual work relating to the Scavengers and Sweepers Scheme can be looked after by the Directorate of Municipal Administration. If the proposal for the abolition of this Directorate made elsewhere is approved, this work could be transferred to the Divisional Commissioners. The Assistant Inspector of Certified Institutions should be placed in the

correctional wing of the Directorate of Social Welfare. The Government Backward Class Hostels should be transferred to the Zilla Parishad.

237. The work of registration of Backward Class applicants for employment should be entrusted exclusively to the Employment Exchanges. The existing orders under which the appointing authorities are required to call for names of Backward Class candidates from the various offices of the Social Welfare Department should be withdrawn. The staff engaged on this work at various levels should be abolished.

240. The Deputy Director (Correctional Administration) and the Probation Superintendent may be transferred to the Prisons Department together with the subordinate staff dealing with the probation and aftercare work. The existing Correctional Administration Wing may be re-named as the Preventive Administration Wing and strengthened with the additional staff indicated in paragraph 20.23.

THE PUBLIC SERVICE COMMISSION

244. There should be advance planning of recruitment on the basis of a proper forecast of the requirements for each category of posts, and the minimum time (6 months, or 9 months if recruitment is by competitive examination) required by the Commission for selection of candidates should be duly taken into account in such advance planning....

DEPARTMENTS AND OFFICES RESPONSIBLE TO GOVERNMENT IN THE GENERAL ADMINISTRATION DEPARTMENT

249. The post of Special Commissioner to Government at New Delhi may be abolished. The three Units of the office, *viz.*, the Liaison Office, the Maharashtra Information Centre and the office of the Manager, Maharsahtra Sadan, may be separated. The Maharashtra Information Centre may function directly under the General Administration Department as an Attached Office. The Manager, Maharashtra Sadan, may be placed as before under the Executive Engineer, Presidency Division, Bombay. His status may be raised and powers enhanced.

250. The liaison work may be placed in charge of an officer of the rank of Deputy Collector or Under Secretary with a flair for execution and public relations work, who may be designated as Agent of the State Government at New Delhi. The existing Assistant Special Commissioner may be designated as Assistant Agent alternatively a Tahsildar with a flair for such work may be appointed as Assistant Agent.

255. ...The Administrative Staff College is the proper agency for co-ordination in the planning of such training programmes in the various Departments and supervision over their execution It may be necessary to strengthen the Administrative Staff College to enable the Director to discharge these responsibilities effectively.

DAIRY DEVELOPMENT DEPARTMENT

267. It requires serious consideration as a matter of public policy whether milk schemes which are not likely to reach a viable stage in, say,

three or five years, require to be subsidised indefinitely because the subsidy can be passed on to a consumer unable to resist its burden.

THE BUILDINGS AND COMMUNICATIONS DEPARTMENT AND THE IRRIGATION AND POWER DEPARTMENT

273. The Comptroller and Auditor General should be moved for the transfer of the cadre of Divisional Accountants to the control of the State Government. Control over the cadre may be vested in the Directorate of Accounts and Treasuries. For the purposes of day to day working, however, the Divisional Accountants should be placed under the Executive Engineers. Powers of transfer of Divisional Accountants may be delegated to the Chief Engineer concerned.

THE SALES TAX DEPARTMENT

298. At least 50 per cent of the posts of Deputy Commissioners of Sales Tax should be filled from amongst efficient IAS Officers in the senior time scale and 3 or 4 posts of Assistant Commissioners of Sales Tax should invariably be filled from amongst selected Deputy Collectors of proved efficiency or IAS Officers in the junior time scale.

299. It is necessary that merit assessed on the basis of objective tests should be the prime factor governing appointments and promotions.

THE DIRECTORATE OF ACCOUNTS AND TREASURIES

303. The staff of the District Treasuries should be strengthened in consultation with the Director of Accounts and Treasuries.

306. The proposal to relieve the treasuries of the custody of postal stamps and stationery on behalf of the Posts and Telegraphs Department should be pressed again with the Government of India.

307. The possibility of setting up a separate pension payment office in important cities and areas where the number of pensioners is substantial may be further explored.

310. A selected intelligent and experienced officer should be appointed, along with the requisite staff, to revise the outmodel procedures followed in the Sub-Treasuries and to prepare a suitable Sub-Treasury Manual.

313. Those concerned with proposals and sanctions for a accounts staff should appreciate the need to avoid being 'penny-wise and pound-foolish'. It is also necessary for the Directorate to expand the capacity of its training classes so that the existing accounts personnel of the various departments are given thorough training in accounts.

314. The Reserve Bank of India should be moved either to open a sufficient number of its branches in Greater Bombay or to allow the State Bank of India, or the Nationalised Banks to do the work for Government in Greater Bombay.

315. The work of pre-audit of salary bills and other bills of establishment should, with the concurrence of Audit, be decentralised and entrusted

to the Departmental Officers (as in the Forest Department), who should render accounts to the Accountant General direct.

THE BUREAU OF ECONOMICS AND STATISTICS

324. On transfer of the District Statistical Officers to the Zilla Parishads, Government can rely on the statistical agencies of the Departments concerned for the State sector activities. Moreover, when necessary, the services of the District Statistical Officers could be requisitioned under section 261 of the Zilla Parishads Act.

THE DIRECTORATE OF SMALL SAVINGS

328. Government should consider, in the light of recent developments, whether the Small Savings Scheme should at all be continued and if so, whether it should be run by the Central Organisation or by the State Government so as to avoid duplication of effort. If it is to be entrusted to the State Government, the supervisory work should be entrusted to the Divisional Commissioners and the work at the Secretariat level, to the Revenue Department.

THE JAIL DEPARTMENT

329. The Jail Department has a legitimate claim to be treated as a Development Department.

330. Except for those who are unable to work owing to age or physical infirmity every prisoner should do enough work to earn his keep. This principle may be extended to under-trial prisoners at a later stage.

331. The present system of classification of and differential treatment to prisoners should be done away with. All convicted prisoners within the prison should be treated alike regard being had only to age, physical condition, type of crime committed and the corrective treatment needed. Special privileges like cots, special diet etc. may be reserved only for need them on medical grounds.

335. At their quarterly meetings the Visitors' Committees should devise ways and means for reducing the under-trial population.

338. Government's instructions to all departments to place orders for their requirements with the Prisons Department should be fully implemented. For this purpose, there should be quarterly meetings of the Departments concerned in the Sachivalaya. The Commissioner for Industries and the major indenting departments should participate in these meetings.

339. The Jail industries should be organised on a commercial basis so that the profits can be ploughed back for further development. The contribution made by prison labour should also be calculated on the basis of wages paid to similar workers outside.

341. Education in the Prisons Department should be part and parcel of the educational plan in the district. There should be co-ordination between

the Zilla Parishad and the Prisons Department in this matter and their staff should be inter-changeable.

342. The Agricultural Development Officers, Block Development Officers and Gramsevaks of the Zilla Parishads should be required to look upon the agricultural activities of the Prisons Department as part of their normal extension activities.

345. Adequate accommodation earmared for cases of suspected lunatics under observation should be provided at Government hospitals, instead of such persons being sent to Taluka Sub-Jails.

348. A compulsory orientation course in jail administration for Mamlatdars and Prant Officers should be organised as indicated in paragraph 30.31. There should also be an orientation course in Jail administration for Collectors.

349. In regard to the work relating to Probation of Offenders Act and Habitual Offenders Act, the correctional-work, *viz*., that relating to institutional treatment, probation and after care should be transferred to the Prison Department. The Inspector General of Prisons may be re-designated as Inspector General of Prisons and Director, Correctional Services. The Probation Officers may be retained as a separate cadre under the Inspector General of Prisons.

THE EXAMINER OF BOOKS AND PUBLICATIONS

355. The Office of the Examiner of Books and Publications should be merged with the Directorate of Publicity. The General Administration Department could then effect the requisite reduction in the staff of Translators, Reporters and Supervisors engaged in the over-lapping part of the work.

DEPARTMENTS AND OFFICES RESPONSIBLE TO GOVERNMENT IN THE INDUSTRIES AND LABOUR DEPARTMENT

367. The various forms used by the Employment Exchanges in Greater Bombay should be bilingual, *i.e.*, both in Marathi and English.

DEPARTMENTS RESPONSIBLE TO GOVERNMENT IN THE LAW AND JUDICIARY DEPARTMENT

370. As proposed by the Law and Judiciary Department, 15 Sub-Regional Offices may be set up under the Charity Commissioner, part of the staff being provided from the existing Regional Offices.

THE DIRECTORATE OF MUNICIPAL ADMINISTRATION

379. The Directorate of Municipal Administration may be abolished and the functions vesting in the Director transferred to the Divisional Commissioners. This would involve amendment of the law. The Divisional Commissioner's charge may be lightened by creating additional Divisions or, alternatively, the Regional Director contemplated in the Maharashtra Municipalities Act, 1965 could be appointed as the Commissioner's Deputy.

OTHER OFFICES

380. The post of Additional Private Secretary to the Governor may be discontinued after the present incumbent returns to his parent Department when his services are no longer required by the Governor.

CLASS IV STAFF

384. It will be possible to reduce the Class IV staff if the lay-out of Government offices is designed afresh and new seating arrangements are made on the lines indicated.

SUGGETIONS FOR SOME DEPARTMENTS AND OFFICES

385. Government should make it clear once for all in unequivocal terms that the Collector is not merely a District Revenue Official but is the General District Administrator for Government whose role as Revenue Official is subordinate to his role as District Administrator. He should be re-designated as Collector and District Administrator and the steps indicated taken to enable him to fulfill his role adequately.

387. The Revenue offices should be adequately staffed to enable them to cope with their multifarious duties so as to leave no back-log of arrears. Additional staff should be sanctioned for the Collectors' offices on the lines laid down in the Manual of Office Procedure for Collectors' Offices. The Tahsildar's Office should also be divided into branches, each consisting of an Aval Karkun or a First Grade Clerk and 6 Junior Clerks.

390. A Tahsildar and a Sub-Divisional Officer should not be required to tour for more than 150 days in a year and the Collector, for more than 100 days. In districts where communications are still difficult, these officers should be encouraged to undertake tent touring and halt in remote inaccessible villages. Government tents should be provided for the purpose and the cost of transport of the tents and expenses of pitching should be borne by Government. The present tentage allowance could then be abolished.

394. The revenue Department should continue to be responsible for recoveries of dues of other Government departments. To clear the present heavy arrears, adequate staff should be sanctioned for recovery work.

396. It is desirable to review, after a lapse of a sufficient period during which new factors and circumstances may have arisen, the yardsticks for the Police strength in the Districts prescribed on the basis of the Police Manpower Committee's recommendations.

401. A detailed work study should be made of the Police Offices in a few districts with a view to simplification of procedures, avoidance of delays and relieving the District Superintendent of Police of the large volume of routine work with which he is saddled at present.

412. The question whether Government could deny its press employees and other similarly situated Government industrial workers dearness allowance linked with the cost of living index on industry-cum-regional basis if it is available to other in the Press Industry may be examined by Government.

420. The Director of Tourism should cease to function as Deputy Secretary to Government and the Department of Tourism should function independently outside the Secretariat.

THE ADMINISTRATION OF JUSTICE

428. The scheme for the training of Judicial officers which is understood to have been proposed to Government by the Chief Justice is welcome in principle.

429. It is for consideration whether a system of recruitment based on the principle "to catch them young and give them sufficient training including refresher training and in service training from time to time as and when they require to take up additional responsibilities" may not be substituted for the present system of recruitment to the Metropolitan Courts which places emphasis on experience at the Bar. It is also a question requiring consideration whether the present rigid caste structure in the judicial administration in which the high priests of the City Civil Court occupy the highest place is in conformity with the principles of justice, equality and fraternity.

431. It would be desirable to split the present jurisdiction of the Bombay City Civil and Sessions Court which extends to the whole of Greater Bombay into eight convenient territorial sessions divisions and districts, each presided over by a District and Sessions Judge, who may be assisted by two or three Assistant Judges. On the pattern of the District and Sessions Courts elsewhere, there may also be a complement of Civil Judges (Senior Division) and Civil Judges (Junior Division).

433. The courts of Presidency Magistrates, Chief Presidency Magistrate and Additional Chief Presidency Magistrates may be replaced by those of Judicial Magistrates functioning in the proposed new sessions divisions and districts. The territorial jurisdiction of the police stations in Greater Bombay should also be suitably revised and adjusted within the frame of the new sessions divisions and districts.

437. A separate full-time Employees' Insurance Court may be set up under the Employees' State Insurance Act. Government may also consider augmenting the number of courts set up under the Payment of Wages Act, Minimum Wages Act etc. wherever indicated in the light of institutions, disposals and outstanding arrears.

438. Superannuated persons should not be appointed to the tribunals.

439. The special knowledge of experts in particular fields such as Chartered Accountants is best availed of by associating them as expert witnesses rather than by appointing them on the Tribunals as members.

441. Appointments to tribunals may be made with the concurrence of the Chief Justice of the Bombay High Court. The posts of Presidents and members of the various tribunals may be equated with appropriate posts in the Judicial Service and treated as additions to the permanent cadre of the posts with which they are equated. Persons selected for such appointment should be given a proper course in orientation in the social interests involved.

RETRENCHMENT, TERMINAL BENEFITS AND PLACEMENT

444. With the devolution of powers and functions by the State to the Panchayati Raj institutions and to Statutory Corporation and Universities like the Agricultural Universities, it may not be feasible to ensure that the new activities taken up by the State Government or by the bodies referred to are synchronised with the closing down of the activities which are surplus. Postponement of retrenchment of posts clearly found surplus would involve an unjustified burden on the tax payer. Retrenchment is, therefore, inescapable.

449. It is not necessary to establish any special machinery for the absorption of retrenched persons. The machinery of the employment Exchanges can be fruitfully employed for dealing with the problem of offering alternative employment in Government to retrenched persons.

BOOK REVIEWS

THE MAKING OF INDIA'S FOREIGN POLICY, By J. BANDYOPADHYAYA, New Delhi, Allied, 1970, p. 286, Rs. 20.

This book opens a new vista in the study of India's foreign policy. Hitherto, as the author has pointed out, public interest has been confined to India's relations with particular countries. The actual process of policy-making has not received sufficient attention. The book aims at filling this void by giving a detailed account of the process and suggesting improvements in the handling of foreign affairs so as to ensure greater "rationality" in policy-making.

Rationality is, of course, a matter of opinion and, as the author himself admits, the factors involved in foreign affairs are so "volatile, unpredictable and intractable" that "perfectly national decisions" are not possible. In one part of the book, moreover, he lays down as a condition of rationality that the personal factor should play a relatively unimportant role in policy-making. The rest of the book, however, shows that it was precisely when this factor was important in India that policy-making gave the best results. It is a common experience also that the same policy is hailed as rational when some success is being achieved and condemned as irrational if there is a temporary setback or failure. In view of all these contradictions, one wonders how the rationality test can be applied to policy-making. Perhaps the safest course is to interpret rationality in terms not of immediate results, but of the actual use by the policy-maker of the instruments available to him both for the formulation and for the implementation of policy.

Has effective use been made of these instruments in India? The author's analysis is clear enough. It starts off with a "general and theoretical" statement on policy-making. The policy-maker must first define his long-term goal and then take steps to ensure that his short-term objectives and policies are consistent with it. This is the essence of rationality, in the author's view. In actual practice, however, policy-making follows a less tidy course. There is a constant overlap and interaction between goals, objectives and policies, each helping to mould the other. What emerges from this process and also stimulates it is the policy-maker's conception of the national interest, the "minimum components" of which are security, development and world order. A policy does not immediately take shape. The process has to go through many sieves. The content and priority of each component has to be fixed in the light of the nation's requirements. What the author has described as the "basic determinants" of policy-making have also to be assessed. Any tentative policy so framed is subject, in a parliamentary democracy, to a further process of discussion and debate and the incessant scrutiny of methods of implementation, in a variety of political and administrative institutions. Not until all such processes have been completed does the nation's policy take final shape.

While these processes are common to many countries, India's experience

in this field is sometimes considered to be unique. According to the author, in no other country has a single individual played the kind of role in policy-making as Prime Minister Nehru played in India. He was the only political leader who had given some thought to problems of foreign policy before Independence. His personal standing was also such as to rule out any effective opposition to his basic ideas. He was open to suggestions and respected Parliamentary procedures, but his role, especially in the earlier years, was largely to educate Parliament and public opinion. Policy-making in his time was based, not on institutional approach, but on his own thinking and the assistance he received from a few chosen colleagues and officials. Not only his methods, but also the policies he evolved were highly personalized. Apart from geography, economic and other compulsions, and the domestic and international milieu, the basic determinant of policy-making which influenced him most was India's political traditions and idealistic thinking. The author, of course, recognizes that Nehru "never came under the spell of the romantic idealism of the past". His stress is, however, on the mixture of realism and idealism in Nehru's policies and the fact that Nehru never "came close to what in contemporary jargon would be called political realism".

There is another way of looking at this matter. The personal role of an outstanding leader in policy-making is not peculiar to India. The circumstances facing a country are sometimes such that the leader's personal role acquires importance. Both developed and emergent countries have passed through this experience. A creative leader depends less on institutions than on his own thinking and distinctive methods. Nehru's policies were of course new, but where security is concerned, experience based on old policies cannot easily be ignored. Thus, in regard to the border areas, Nehru's policies may be regarded as a continuation, in a modified form, of the policies of the British period. The author's idea that Nehru was not a political realist in the accepted sense could also be put in a different way. He was unquestionably a realist, but his interpretation of realism was not the same as of more short-sighted policy-makers. Where he differed from them was in the importance he attached to a long-term view of the national interest, based on the realities of international life, as opposed to a short-term view which, as he said, "may excite the multitude for the moment, but is bad for the nation and the world".

Subject to these comments, the author's analysis may be generally accepted as correct. He has also carried out some useful case studies and has explained the changes which took place in the policy-making process after Nehru's death. The only further comments called for are on the suggestions he has made for strengthening this process. First, while security, as he has said, depends on diplomacy to avert a crisis situation, the role of diplomacy should be seen in a proper perspective. India's own experience shows that diplomacy is not a substitute for normal measures of defence. It needs the support of such measures and its value lies not only in averting a crisis, but in giving time to the nation to develop its material strength. Nehru, in spite of his dedication to a peaceful diplomacy, recognized that without material strength, both economic and military, the nation could not prosper, or attain its proper place in the world. Secondly, cultural diplomacy of which the author is strong advocate should also be seen in a proper perspective.

It has undoubtedly an important role to play in developing closer ties with other countries. What vitiates the role, however, is the suggestion which is sometimes conveyed that India's ancient culture has conferred on it some kind of moral superiority, or capacity to lead the world from darkness to light. Too much harking back to the past, as a cover for modern deficiencies, can do more harm than good. What impresses other countries and provides a basis for cooperation is the effort that is being made to remove these deficiencies, rather than Tagore's assertion, quoted by the author, that because of the greatness of our culture, "We, the famished, ragged ragamuffins of the East are to win freedom for all humanity." Thirdly, while the author is right in stressing the importance of institutional reforms, especially in policy planning, some of his suggestions cannot easily be accepted. Planning by serving officials alone is of limited value as they can hardly criticize or deviate from Government's known policies. On the other hand, planning by an independent Council, as suggested by the author, is also open to objection. The Council would tend to function as a parallel or rival body to the Foreign Ministry. This would lead to confusion and defeat the purpose in view. The solution obviously lies in maintaining the present organization, while associating some non-Governmental experts with it, so that Government may have the benefit of independent views also in the planning of policy.

A final point is about the role of "the ICS and the princes" in the Foreign Service on which the author has written at length. His analysis has been marred by lack of knowledge and objectivity in his assessment of the role. To start with, one might well ask who were the princes whom Nehru is supposed to have inducted into the Foreign Service? Even if some were inducted, are they to be treated as non-citizens merely because they were princes in the past? Then, again, in one part of the book, the author compliments Nehru for "relegating the ICS officials to the footnotes of diplomacy". A few chapters later, he comes out with the assertion that Nehru "entrusted the ICS and princes with the responsibility for administering foreign policy"! Apart from these contradictions and other remarks about the officials which seem uncalled for, the author's knowledge of the working of the ministry is also deficient. He says that the officials were generally pro-West and not appreciative of Nehru's policies. Today, the same class of officials is sometimes accused of pro-Soviet leanings! Moreover, the author seems to be unaware of the part played by the officials on some of the questions on which he himself has carried out case studies. Whether it is Kashmir or Tibet, or relations with China, it will be found when the time comes that correct advise, based on the national interest, was given by the officials, but the advice could not be followed by Nehru because of pressure in Parliament or for other reasons.

—R.K. Nehru

HISTORY OF POSTAL ADMINISTRATION IN HYDERABAD, By M. A. NAYEEM, Hyderabad, Bright Publishers, 1970, pp. 317 + xvi (7 maps and 26 plates), Rs. 75.

There are very few services provided by the State that touch the lives of a vast majority of the people. Postal service is one of them. Perhaps very few of the millions, whom the postal system of our country

serves, pause to reflect upon the evolution of the service and the vastness of its ramifications. Those who have watched the *dak harkara* with his sacks of mail jogging along a lonely mountain trail enroute to a distant village nestling in the lap of a pine-scented valley or the postman with his packages and letters threading his way through a busy street of Calcutta or Bombay may have realized, if they have the inclination and time to reflect, that they were watching an instrumentality of unification of the country. More than any other agency of the Union Government, the Postal Department, with its more than hundred thousand post offices handling well over 6,000 million postal articles every year, is helping to bring the people of this country a little nearer to each other. Few realize that this vast network criss-crossing the country consists not of machines but of thousands and thousands of men, who are also apart of this nation, men who, like anybody else, have their faults and failings. Everybody takes these men for granted but few think of them, their problems and the magnitude of their task. He indeed is a rare person who cares to spend a lot of his time and money to study the evolution of postal system and writes about it. Sir Geoffrey Clarke (a former Director General of Post Offices in India) had written an interesting treatise long time back on the history of development of post offices in the country. Shri M. A. Nayeem joins that select band with his present publication. Shri Nayeem is not only an ardent historian but also a keen philatelist. He has already published a monograph on "Postal Markings" in 1967.

In the present volume, which is in the series on philatelic and postal history of Hyderabad, he deals with the history of postal administration of the erstwhile princely state of Hyderabad. Though he has confined his attention to a geographically smaller area of the country yet his canvas is vast. It embraces six centuries of India's rich and colourful past, from 1296 to 1948. The fact that the author is a discerning scholar of all aspects of mediaeval Indian history is evident from Part One of the book. In this part, he has very interestingly dealt with the postal system in Hyderabad under Turkish Sultanate of Delhi, Yadava and Kakatiya rulers, Qutubshahs, Adil Shahs, Marathas and the Mughals. In these chapters, the author unfolds a fascinating panorama studded with a welter of interesting details which lifts the art of historiography to a new plane.

In Part Two, the author, while covering the period from 1857 to 1948, discusses in depth the structural organization, management, personnel and financial administration of the postal system. Such a pan-disciplinary treatment of the subject breaks new ground in Indian historiography. A lot of insight can be gained from the study of the administrative, geopolitical and socio-economic history of the area. What otherwise could have become terse and monotonous is relieved by a liberal garnishing of interesting details. An item that may interest the readers relates to the salary structure. The salary of *Sadar Mohatamin Tappa* (Postmaster-General) was "fixed at Rs. 1400 rising by annual increments of Rs. 40". In addition, the PMG was also to receive a compensation allowance (p. 119). And this was in the halcyon days of 1899! May the Third Pay Commission in their infinite wisdom take due note of this piece of historicity!

The book is thoroughly researched and well documented. The author needs to be congratulated for presenting a very fascinating and lively

picture of the postal system of the area. The reviewer commends the book not only to the students of history but also to all those who are interested in knowing a little more about our country. They will find their efforts well rewarded. The only grouse the reviewer has is against the format of the book and its production quality. The format is unwieldy. The production quality is poor, keeping in view the price of the publication which is rather on the high side. The book deserved a better treatment on both these counts at the hands of the publishers.

—AJOY BAGCHI

READINGS IN THE OPERATIONAL PROBLEMS OF PUBLIC ENTERPRISES, By G. P. KESHAVA, Delhi, S. Chand, 1970, pp. xi + 182, Rs. 15.

The Indian 'mix' of (economic) planning (political), democracy, and (constitutional) federalism has attracted considerable academic attention but very few studies have been able to encompass all the three abovementioned analytical foci. The dominant trend of academic specialization has, in fact, rendered these three foci more distal from each other than they are in real life. The process of "microscoping" the reality has been carried the farthest in the discipline of Economics which has now been declared to be a "quantitative policy science" by a band of distinguished scholars who have adopted mathematics as the basic calculi for economic analysis. While the accumulation of quantitative evidence and insights has given a touch of sophistication to modern economic analysis, the overemphasis on statistical methods and models has inevitably circumscribed the analytical focus of economist's studies and has resulted in neglect of important politico-administrative variables.

The book under review can be cited as an apt illustration of the difficulties and deficiencies of the quantitative approach towards analysis of economic life. Conceived as a straight quantitative evaluation of the performance of the management in the Indian public sector, the present study clearly bears the marks of the operational barriers and conceptual obstacles which the project had to encounter in the process of moulding the observed reality to fit into mathematical formulae and statistical matrices. As the author admits in the Preface, the work began as a study of "Measurement of the Management's Efficiency in Public Enterprises (with special reference to the Bihar State Road Transport Corporation)" but the present volume neither contains the statistical results of the study nor the resultant policy-relevant conclusions. In fact, except chapter III ('Measurement of the Managements' Contribution to Profitability') the remaining chapters contain matter which can be only regarded as peripheral or incidental to the author's self-assigned task of evolving criteria and indicators for management evaluation in State-owned enterprises where the inter-correlations of economic and politico-administrative factors are comparatively more difficult to disentangle than in private sector enterprises, where the techno-structure is relatively more autonomous. The result is that despite the impressive delineation of the statistical method for analyzing the profitability of Bihar State Road Corporation (pp. 48-89) neither the lay reader nor the concerned policy-makers are likely to be any wiser after going through the whole book. The author has, of course, labelled the present book as volume one

and has indicated that the Planning Commission has commissioned a more detailed study on the same topic but this does not absolve the author from bearing the full responsibility for premature publication of the present volume bearing the anomalous title of "Readings" which in normal academic usage is reserved for works containing writings of several authors focussed on an overarching theme or concept.

While emphasizing the lack of overall thematic unity in the contents of the book under review, the present reviewer would like to mention that some of the individual pieces or appendices are quite useful in themselves as far as factual information about management appraisal, budgetary practices and pricing policies of various public enterprises in India are concerned. The same, however, cannot be said about certain other chapters ("Readings"?), specially the last one dealing with "Research on Public Enterprises: Some Problems of Methodology" (pp. 132-156) which deals with the operational problems of researching public enterprises rather than with operational problems of public enterprises! Again, the material contained in chapters entitled "Pricing in Public Enterprises: Some Administrative Aspects" (pp. 91-116) and "Budgeting in Public Enterprises: A Critical Appraisal" (pp. 117-131) amounts to nothing more than a textbook style compendium which may be a must as far as the notebook of a researcher launching upon a study of public enterprises is concerned but its inclusion in a book published under the *imprimatur* of Indian Institute of Public Administration is a little perplexing.

The purpose of the foregoing critical appraisal of the volume under review is certainly not to deny the legitimacy of quantified research but only to indicate the difficulties inherent in this mode of analysis which are likely to lead researchers into blind alleys forcing them to rely on non-academic techniques of padding or pre-mature publication which characterize Dr. Keshava's book. One can only hope that Dr. Keshava would compensate for the shortcomings of the present volume by publishing full results of the detailed study of Bihar State Road Corporation at an early date. Methodologically speaking, there is no reason to dispute the viability of quantitative approach to economic problems but operationally speaking, such research requires a lot of time and financial resources and no academic cause is served by short-circuiting the process of data-collection and data-analysis and presenting stray bits of materials as a book-length publication.

—P. C Mathur

THE HIGHER CIVIL SERVICE IN BRITAIN. By RICHARD A. CHAPMAN, London, Constable, 1970, p. 194, 42 S.

Dr. Chapman's is a very readable account of the origin and development of the higher civil service in Britain from the Northcote-Trevelyan Report in the mid-nineteenth century to the Fulton Committee report and its aftermath. The approach is sociological rather than political, and the treatment both analytical and descriptive. The civil servants are viewed as a body of men engaged in a great enterprise in which politics and government are intermixed. The author describes how they are recruited and trained, their social background, the type of work they handle, the environment in which they function, their life outside office, their political attitudes and their interaction with other classes of civil

picture of the postal system of the area. The reviewer commends the book not only to the students of history but also to all those who are interested in knowing a little more about our country. They will find their efforts well rewarded. The only grouse the reviewer has is against the format of the book and its production quality. The format is unwieldy. The production quality is poor, keeping in view the price of the publication which is rather on the high side. The book deserved a better treatment on both these counts at the hands of the publishers.

—AJOY BAGCHI

READINGS IN THE OPERATIONAL PROBLEMS OF PUBLIC ENTERPRISES, By G. P. KESHAVA, Delhi, S. Chand, 1970, pp. xi + 182, Rs. 15.

The Indian 'mix' of (economic) planning (political), democracy, and (constitutional) federalism has attracted considerable academic attention but very few studies have been able to encompass all the three abovementioned analytical foci. The dominant trend of academic specialization has, in fact, rendered these three foci more distal from each other than they are in real life. The process of "microscoping" the reality has been carried the farthest in the discipline of Economics which has now been declared to be a "quantitative policy science" by a band of distinguished scholars who have adopted mathematics as the basic calculi for economic analysis. While the accumulation of quantitative evidence and insights has given a touch of sophistication to modern economic analysis, the overemphasis on statistical methods and models has inevitably circumscribed the analytical focus of economist's studies and has resulted in neglect of important politico-administrative variables.

The book under review can be cited as an apt illustration of the difficulties and deficiencies of the quantitative approach towards analysis of economic life. Conceived as a straight quantitative evaluation of the performance of the management in the Indian public sector, the present study clearly bears the marks of the operational barriers and conceptual obstacles which the project had to encounter in the process of moulding the observed reality to fit into mathematical formulae and statistical matrices. As the author admits in the Preface, the work began as a study of "Measurement of the Management's Efficiency in Public Enterprises (with special reference to the Bihar State Road Transport Corporation)" but the present volume neither contains the statistical results of the study nor the resultant policy-relevant conclusions. In fact, except chapter III ('Measurement of the Managements' Contribution to Profitability') the remaining chapters contain matter which can be only regarded as peripheral or incidental to the author's self-assigned task of evolving criteria and indicators for management evaluation in State-owned enterprises where the inter-correlations of economic and politico-administrative factors are comparatively more difficult to disentangle than in private sector enterprises, where the techno-structure is relatively more autonomous. The result is that despite the impressive delineation of the statistical method for analyzing the profitability of Bihar State Road Corporation (pp. 48-89) neither the lay reader nor the concerned policy-makers are likely to be any wiser after going through the whole book. The author has, of course, labelled the present book as volume one

and has indicated that the Planning Commission has commissioned a more detailed study on the same topic but this does not absolve the author from bearing the full responsibility for premature publication of the present volume bearing the anomalous title of "Readings" which in normal academic usage is reserved for works containing writings of several authors focussed on an overarching theme or concept.

While emphasizing the lack of overall thematic unity in the contents of the book under review, the present reviewer would like to mention that some of the individual pieces or appendices are quite useful in themselves as far as factual information about management appraisal, budgetary practices and pricing policies of various public enterprises in India are concerned. The same, however, cannot be said about certain other chapters ("Readings"?), specially the last one dealing with "Research on Public Enterprises: Some Problems of Methodology" (pp. 132-156) which deals with the operational problems of researching public enterprises rather than with operational problems of public enterprises! Again, the material contained in chapters entitled "Pricing in Public Enterprises: Some Administrative Aspects" (pp. 91-116) and "Budgeting in Public Enterprises: A Critical Appraisal" (pp. 117-131) amounts to nothing more than a textbook style compendium which may be a must as far as the notebook of a researcher launching upon a study of public enterprises is concerned but its inclusion in a book published under the *imprimatur* of Indian Institute of Public Administration is a little perplexing.

The purpose of the foregoing critical appraisal of the volume under review is certainly not to deny the legitimacy of quantified research but only to indicate the difficulties inherent in this mode of analysis which are likely to lead researchers into blind alleys forcing them to rely on non-academic techniques of padding or pre-mature publication which characterize Dr. Keshava's book. One can only hope that Dr. Keshava would compensate for the shortcomings of the present volume by publishing full results of the detailed study of Bihar State Road Corporation at an early date. Methodologically speaking, there is no reason to dispute the viability of quantitative approach to economic problems but, operationally speaking, such research requires a lot of time and financial resources and no academic cause is served by short-circuiting the process of data-collection and data-analysis and presenting stray bits of materials as a book-length publication.

— P. C. Mathur

THE HIGHER CIVIL SERVICE IN BRITAIN. By RICHARD A. CHAPMAN, London, Constable, 1970, p. 194, 42 S.

Dr. Chapman's is a very readable account of the origin and development of the higher civil service in Britain from the Northcote-Trevelyan Report in the mid-nineteenth century to the Fulton Committee report and its aftermath. The approach is sociological rather than political, and the treatment both analytical and descriptive. The civil servants are viewed as a body of men engaged in a great enterprise in which politics and government are intermixed. The author describes how they are recruited and trained, their social background, the type of work they handle, the environment in which they function, their life outside office, their political attitudes and their interaction with other classes of civil

servants, *including the professional* and specialist cadres. As the author mentions in the Preface, the book has grown out of the social research which he was commissioned to do for the Fulton Committee. The better part of reading in the book is the chapters on the environment of work of the higher civil servant and his life outside office.

Most of the higher civil servants in U.K. are in the Administrative Class which is only about one-half per cent of the total non-industrial Government employees. They are still largely drawn from the middle and upper middle class, but they find any references to their class origins as distasteful. The majority are from Oxbridge, though there is now a shift to other Universities, and have Arts background. They get on well with the other classes of civil servants, though strains sometimes develop with the specialist class, more because of personal incompatibilities than otherwise. They rise to top posts at a much younger age than others, and assume higher responsibilities much earlier in life than their compeers in industry. They are highly qualified in the subject matter of their specialist field of administration, and are far from being the "out-of-touch amateurs" of the popular image.

Out of the office, the higher civil servant is one of the struggling middle class, "having to do his own washing-up and be his own handy-man". He has an acute political sense, but does not engage in party politics. He thinks more of policies and their workability. His work takes a heavy toll of his energy, leaving him little opportunity or inclination to engage in other activities. Most higher civil servants lead dull private lives, and many lose their animal spirits and zest for life rather prematurely.

In the concluding part of his book, Dr. Chapman discusses the changing image of the civil service in the public mind and the new outlook of its members. There is more emphasis on professionalism, less secrecy, and greater participation by civil servants in explaining the working of Government to the public. The public in Britain is now more appreciative of the role of the civil servant and the skill he brings to the process of Government.

—R N. MADHOK

SMALL FARMERS : STATE POLICY AND PROGRAMME IMPLEMENTATION, By V. R. GAIKWAD, Hyderabad, National Institute Community Development, 1971, p. 83, Rs. 10.

There is growing concern in this country about the welfare of the small man. In the field of agricultural development, several experiments have been undertaken for improving the lot of the small holders and the small farmers. Among these, the important is the "Integrated Area Development Scheme" which was prepared by Shri V. S. Page, Chairman of the Maharashtra Legislative Council, for increasing agricultural production through better farm management by small holders and weaker sections of the community. The National Institute of Community Development has rendered a service to students of the agricultural economy of this country by publishing a monograph entitled "Small Farmers: State Policy and Programme Implementation" written by Shri Gaikwad.

Shri Gaikwad reviews the progress of the scheme since its commencement in 1966 through 1969. The scheme originally aimed at undertaking a

large number of operational programmes, such as soil conservation, chemical measures for soil collection, irrigation schemes, installation of pumps, community wells, lift irrigation schemes, mechanical cultivation, cattle development, poultry development, organization and settlement of labour camps, etc. The Government of Maharashtra also introduced in the intensive agricultural development blocks a scheme of guaranteed employment to agricultural labourers when they did not have employment in the normal way from other sources, including departmental activities.

The Integrated Area Development Scheme was intended to be organized by preparation of individual plans as well as the village area plans and jointly undertaking a comprehensive development of the agricultural economy. The reality was, however, very different and soon the scheme became confined to the improvement of irrigation, including digging of community wells, and development of other sources of irrigation.

The review indicates that there was a big gap between planning and execution. Even Shri Page is reported to have been disappointed with the method as well as the progress of implementation of the programme. Even in the field of irrigation, the results were not encouraging. In three years, hardly 60 community wells and 37 jack-wells were taken up. By 1970, with the exception of one or two, not a single well was completed in all respects. As a result, no small holder could benefit by the same. The programme did not stimulate adequate responsiveness from its beneficiaries; executives in charge were at best lukewarm and at worst indifferent. Gaikwad reports that there was considerable apathy even among the beneficiaries of the scheme. It is a sad commentary on the communication system of this programme that the poorer sections of the population, for whom it was intended, were practically untouched by its impact. This may appear to be a very critical or even a harsh appraisal of an innovative programme calculated to benefit the rural population. Gaikwad, of course, has done a distinct service to future administrators and planners by pin-pointing the areas of deficient functioning so that these could be remedied in future. A significant comment is that, inspite of this intensive programme, the backward and the interior villages still remain in the same position as they were and unless attempts are made to improve the infra-structure, a programme of this nature cannot make any dent. If this warning is not heeded, the result would be as observed by Gaikwad in the following words:

"The funds would no doubt be spent but this would not reach the small holder and the agricultural labourers and consequently the economic disparity between the big and the small farmers would continue to increase."

The writing on the wall is there for everybody to see.

—V. Subramanian

SOCIAL MOBILITY AND POLITICAL CHANGE, By IOAN DAVIES, London, Pall Mall, 1970, pp. 114.

The modern empirical theorists have of late been in quest of new conceptual frameworks for political enquiry, particularly into the dynamics of political reality in developing countries. What they have usually

done is to abstract the experience of the socio-economic and political evolution of Western Societies in the form of complete and partial frameworks of political enquiry and apply them as evaluative criteria to the situation in developing societies and on that basis to proclaim whether they are heading for development or decay. While *modernization* can be cited as an example of the former, *political development* perhaps falls in the latter category. There are three underlying assumptions here—first, that the Western experience can always be taken as an earnest for development, secondly, that it has the potential for universal application both in terms of *primitives* and *models*, and finally, that the developing countries need necessarily follow the western path if they are ultimately to be classified as developed countries. It is true that doctrinaire adherence to these assumptions is no more there; but still they have not been given up. These assumptions, to the extent that these are being adhered to, constitute a basic limitation of these frameworks to the understanding of political reality in the developing countries. Still another limitation pertains to the ambivalence about the meaning and implications, not merely of the conceptual framework itself, but also of the several sub-concepts that feed into and constitute the overall framework. The significance of the key concepts series to which the present book belongs and of Ioan Davies' own contribution lies not merely in bringing out against an evolutionary perspective the meaning and theoretical ramifications of *social mobility*, an important sub-concept in itself, but also in explaining thereby the conceptual framework of modernization. For the interaction between social mobility and political change, the theme of this book is also central to the concept of modernization.

The book opens with a discussi[on] of "Political Theory and Soci[al] Mobility" (pp. 11-28). Here, t[he] author attempts to examine how [the] theorists, political, sociological a[nd] philosophical, have identified t[he] content of social mobility and i[ts] impact on the political system. H[e] surveys here the views of the Deo T[o]cqueville, Marx, Max Weber, Vilfred Pareto, Gaetano Mosca and Robe[rt] Michels by way of classical theorie[s]. What distinguishes this analysis [is] that these views have not been dis[]cussed as isolated individual contri[]butions but as mutually supplement[]ing premises of a theoretical continu[]um. The author not merely describ[]es these viewpoints but also evaluate[s] them. He thus finds fault with D[e] Tocqueville's concern for the freedom of the aristocracy. Again, according to him "Marx did not pay parti[]cular attention to the actual mechanic[s] of political organization and, there[]fore, even if we accept his analysis o[f] the social foundation of politica[l] development, it is still necessary t[o] formulate a theory to take account o[f] social relations within institutions and of the precise methods by which politicians and bureaucracies control societies" (p. 18). With regard to other theorists, he is more descriptive than evaluative, though one wishes that it were otherwise. One also expected a perceptive analyst like Ioan Davies to have discussed the problem of overlap in *class* and *status* as analytic categories.

The critical perception of the author re-asserts itself in the next chapter which deals with "Political Systems and Social Stratification" (pp. 29-45). He is examining here the various perspectives on the "comparative approach to the relationship between political change and social mobility" (p. 30). According to the author, "the distinction between classification and comparison is crucial" (p. 36) in this context,

It is on this score that he finds various writers on the subject, wanting. For example, "Almond is not clear what the functions are . . . in his groupings of different types of polity he confuses classification with comparison. Almond's attempt at classification and comparison is more confusing than useful" (pp. 35-36). Again, although Eisenstadt is attempting to formulate a theory of political development, his classification of levels of development relates "in part to economic-historical categories and in part to political ideological ones . . . . For most purposes, this classification is useless as it tells us little about the relationship between Eisenstadt's use of differentiation and the broad categories he chooses to impose on the societies" (p. 37). He adds "the difficulty is that the relationship between structure and culture is left unexplored" (p. 39). His complaint against Wittfogel's thesis is that, although he sees bureaucracy "as emerging from the development of a particular economic situation (the hydraulic system of agriculture) the concept of oriental despotism is then transferred to other societies with other economic systems" (p. 43). Finally, Barrington Moore, like Malinowski in his anthropological functionalism, runs "the risk of trying to explain change purely within a society's own terms . . . . By listing the peculiarities, Moore avoids the similarities" (pp. 44-45). Thus, cross-national frameworks developed by these author's "are important for analysis but they cannot be a substitute for systematic elaboration of comparative theory" (p. 39).

The discussion of the perspectives continues in the next chapter also which is titled "Mobility and Social and Political Consequences" (pp. 46-50). The author analysis at length and recommends Gino Germani's three-level framework for the study of mobility. "The first is the nature, individual (or group) characteristics, and quantity involved in mobility. The second is the intervening psycho-social variables, such as gratification/frustration of individuals, acculturation, identification, personal adjustment. The third is the intervening contextual variables, such as the structure of the stratification system, degree and rate of economic growth, and the configuration of mobile and non-mobile sectors" (p. 46). The author also refers in passing to the contributions of David McClelland and Turner and Lerner. His treatment of these writers is too casual to do justice to them.

From a discussion of theoretical perspectives, the author moves to a resume of their application in the study of mobility patterns in the following chapter which deals with "Mobilisation, Mobility and Political Development" (pp. 51-76). After taking the position that mobility involves cultural factors, like attitudes, values and styles of living as well as purely occupational indicators of role, he discusses the experience of the mobilization patterns of industrial workers largely in Latin America as also of middle classes broadly in Britain, U.S.A., France and Brazil. The theoretical perspectives in regard to the former are those of Germani, Tourain and Octavio Ianni. In regard to the latter, they are those of Marx, Weber and Durkheim. A significant finding with regard to mobilization of industrial workers is that they tended to integrate into the politics of the centre and thereby shed off their revolutionary fervour, let alone the question of the workers movement becoming progressively more revolutionary (p. 67). As far as the middle classes are concerned, they are a case of mobilization without effective integration. "The acquired values of the evolving middle sectors are not matched by their normative situations, which are characterized

by mechanistic structures" (p. 76). Social mobility in both cases has tended to buttress the ideology of centrism, in spite of all the political rhetoric to the contrary. This is an important descriptive hypothesis for students of political reality in India.

The resume continues in the next chapter also which deals with "Mobility and Politics in Industrial Society" (pp. 77-95). The basic premise developed here by the author is the following: "With societies in the early stages of commercial and industrial development, the relationship between mobility and politics has been seen traditionally in terms of the emergence of entirely new social strata and of the values associated with mobility. One is, therefore, speaking primarily in terms of large aggregates of change. In more industrial societies, the fact of mobility is part of the increased differentiation of structures, and the relationship between forms of mobility and politics is often seen much more in the context of political attitudes. It is important, however, that mobility should be examined as a contributory factor in on going political processes as well" (p. 77).

He illustrates this formulation in the specific context of the affluent worker and the new working class, Negroes and political and social mobility. It is not so much the factor of affluence as work situation which accounts for the political attitudes of the affluent worker. Negroes in the U.S.A., as Lenski's studies show, typify a situation where "individuals may move several steps up a particular occupational ladder only to find that they have not gained in [illegible] by so doing" (pp. 85-86). [illegible] a case of *downward* [illegible] *political radicalism.* [illegible] has been correctly [illegible] variable in political [illegible]. It has also been pointed out, though in a casual vein, t 'political mobility may itself b stepping stone to social mobil (p. 92). One of the serious lim tions of the treatment of the the under discussion is that this po has not been given the attention t it deserves. The author is equ casual about the experience of Sov Russia and Eastern Europe in reg to patterns of social mobility general and interaction of social a political mobility in particular. T so-called closed-system may not closed to the process of social mobil after all!

The last chapter dealing w "Differentiation and Political Powe (pp. 96-114) offers a critical overvi of the problem. The author correc concludes that 'much of the analy of mobility and political change h taken place piece-meal' (p. 96). F another very perceptive and thougl provoking observation is: "As lo as the differentiation of roles persis the concentration of power is like to persist also. The chances changing the political system eith in values or structure is, therefor increasingly difficult. The only alte native for dissident groups is to tı to create political structures of the own which combine people fro several role situations and attem to operate independently of th system" (p. 112). The chapter i important not merely as a summin up but as an exposition of author' own theoretical perspective. Accord ing to him: "The problem fo comparative sociological analysi must, therefore, be first to classif political systems according to degree of dominance from sub-sections o society and also according to degree of control by the system itself Beyond this the important question are why one form persists rather than another, and whether there is any connection between forms of [illegible] tion and the kinds of ideology,

values and symbols which dominate at different levels of the system. This is a more satisfactory way of proceeding than classifying societies according to pattern variables and types of value orientation (which Parsons tends to do) or by general social structures which are based on some form of moral solidarity or consensus (which Durkheim does). One of the important issues in the relationship of politics to social structures is to explain values and changes in values and also norms and normative changes. It is difficult to know how this can be done if the initial classifications used assume (because they classify by them) particular combinations of values" (pp. 100-101).

His framework aims at studying the sources of mobility, the political attitudes generated and the kinds of political change effected. "For this, it is important to have the following: profiles of agricultural structures as well as their sources (e.g. by colonial imposition or slow historical growth —Touraine is noticeably weak on this); forms of urban-industrial-commercial development and their typical internal structures; sources of this development (*i.e.* whether generated from internal capital accumulation or by foreign capitalists and governments); changes in agricultural structure (whether by land reform, revolution or increased commercial development); the lag between industrial-commercial development and population movements and aspirations; and the composition of political elites, the ramifications of government control and the centralization or diffusion of political power" (pp. 107-108). One only wishes that the author had not stopped just with these notes towards a theoretical framework, but had developed it to its full length.

Altogether, thus, Ioan Davies' book on *Social Mobility and Political Change* is scholarly as a comparative survey both of substantive and methodological issues and stimulating as a critique, though it has its own limitations also. First, while the author underlines the importance of cultural factors in the process of social mobility, he does not discuss the impact of social mobility on cultural ethos. Secondly, the treatment of the interaction between social mobility and political change is also somewhat one-sided as implications of politics as a catalytic agent for social mobility have not been fully brought out. Thirdly, the richness of comparative perspective has been compromised because the author has left out developing countries of Asia from his purview in general and the experience of authoritarian regimes (other than Communist regimes) with regard to the interaction of social mobility and political change in particular. Finally, it is intriguing to note that the author has completely ignored M. N. Srinivas' concept of *Sanskritization* in his discussion of theoretical perspectives on social mobility and political change.

— Iqbal Narain

APPLICATION OF PERFORMANCE BUDGETING IN THE CENTRAL PUBLIC WORKS DEPARTMENT, By S. S VISWANATHAN AND A. V. CHATURVEDI, New Delhi, IIPA, 1972, p. 136, Rs. 10.

We are accustomed to seeing our affairs, private and public, being managed by the method of crisis. We seem to think this to be the only mode of management and any series of activity controlled from beginning to end is insipid for us. Every year the audit party inspecting a public

works Division continues to raise an objection that expenditure on works was not uniform and was rushed towards the end of a financial year, much against financial rules, and every year the Divisional Engineer notes the objection for future guidance. The methods of management are never changed and host of good reasons are put forward to justify why uniform expenditure on works cannot be ensured in a financial year. No one tried to evolve a systematic and logical method of preparing budgets for our public works. Expenditure on public works in five year plans of national development is so significant that a crisis in its management attracted the attention of the Administrative Reforms Commission. The present study taken up by the Financial Management Unit of IIPA is, therefore, a very timely attempt to suggest application of ideas of modern management in one of the premier construction agencies of Government of India.

The book is really a two-in-one book. The title indicates that it is about performance budgeting. In fact, the book discusses at length the techniques of network control of works. These techniques are independent of performance budgeting. It may even be said that performance budgeting in a corollary to the network method of controlling work. The title of the book may as well have been "Application of Network Techniques to Control of Works and Budgets in CPWD".

The Authors have done a valuable study of the working of CPWD. They have examined in detail, its structural and organizational aspects, financial and administrative powers as well as responsibilities of various officers, the method of obtaining funds and keeping accounts, system of reporting and controls, method of [illegible] and payments for works, and, finally, yard-sticks of

performance. Very useful sug
tions have been given by them to
prove and help the department in
charging its functions efficiently. V
often, first impressions of those v
have to deliver goods are that w
and extensive delegation of finan
powers would help them in givin
better account of themselves. T
present study shows that this is o
one of the aspects of performan
The recommendations made by
various Study Teams in the past h
laid more emphasis on this line
thinking and yet performance h
not improved up to the expectati
The authors have, therefore, righ
decided to examine the system a
whole to see how best it could
made to work efficiently. The bo
gives an insight into the working
the department.

The concept of performa
budgeting outlined in Annexure
of Part I of the book indicates t
levels of performance budgeting.
the first level, performance budget
will help the head of department
corelate physical and financial aspe
of every programme and activity a
it should help him to improve form
review and decisions on budgets
levels of management below hi
The second level is to illustrate clea
the performance budget to legislat
and facilitate their review. At t
level, budget, cast on the princip
of performance budgeting, w
enable them to analysis the impact
Government transactions, see exac
how much money is being spent a
what are the physical targets bei
achieved within the framework
National Development plans.

The Authors have proposed so
sample proforma for budgets
selected Divisions. These may a
be useful until the entire budget
of Government of India chang
over to the performance budgeti
The schedule of progress of [illegible]
works proposed to be submitted

the Divisions cannot easily be compiled with that of another Division. Remembering that there are hundreds of Divisions in the Department, it would be impossible to compile the schedule of progress indicating physical targets and submit these to higher level of management for control and decisions. The information could be too voluminous. It would be necessary to allow such reports to reach only middle level of management for effective control.

It would have been worthwhile to examine in detail the process of preparation of annual budget of the Ministry of Works for works in progress and for new works. The present method of preparing the budget and controlling the expenditure have many elements in the system which are sound and have stood the Test of Time. The appropriation accounts of the Divisions studied would have revealed the reasons for overspending/underspending annual grants for works. Such a study would have indicated the real reasons why the present system of budgeting and control on expenditure needs a change and how the technique of performance budgeting will overcome the defects.

Study could also have touched upon topics of materials management. This is a very vital aspect of the whole management of works these days. Works suffer not because they lack funds or lack techniques of control but the materials, like steel and iron, in various forms are not available. It is frustrating to see a project languishing for want of steel. There is a general clamour that powers of various officers of the department for purchase of steel should be liberalized so that Engineer-in-Charge could get the material from the market and complete the work in time. This is a fallacious suggestion and a good illustration of management of works by crisis. By allowing purchasing of steel in the open market, the Government will push up the price and increase cost of the project. The Government can think of giving special relaxation for purchase of steel for top priority project but then in Government for every client Ministry its project has to carry top priority. Unless budgeting for materials, which in other words means allocation of physical resources, is coordinated with performance budget and control on work, the object of executing works in time with least costs cannot be achieved. If the physical resources do not permit, it would be futile to sanction funds for projects and take up a number of them in hand with no possibility of completing even one of these in time.

Authors have made an exhaustive study of the system and some of their recommendations can be considered straightway by the Government. It is not necessary to await installation of performance budgeting. The department can start implementing techniques of control of works by network so that by the time the system of performance budgeting is introduced in Government of India, the basic understanding of the system will be there and staff would have been sufficiently trained in these methods of management. It would lead to a smooth transition from old system to the new. The authors deserve credit for their efforts in publishing the results of study in a very presentable manner.

—B. V. KULKARNI

POLICE ADMINISTRATION IN INDIA. **By SHARAD CHANDRA MISRA, National Police Academy, Mt. Abu, p. 295, Rs. 15.**

"Few professions are subjected to closer public scrutiny than law enforcement. This is as it should be." These wise words of late Edgar

Hoover, Director, F.B.I., U.S.A., represent the classical Police Philosophy which has largely evaded all enquiry, academic or otherwise, in the realm of law and order administration. Even in the developed countries of the West, where the challenges to order are far more complex and sensitive, seldom does a University Don takes up a research project which may unearth the mystries that surround the myths and proverbs of police administration all over the world. The net result has been that when the parameters of knowledge have exploded a great deal in other areas, the literature on police remains confined to poetic narration of fanciful reminiscences or a bizarre expression of adventures recorded through the diaries of some stray police officers.

The book *Police Administration in India* by Shri S. C. Misra, I.P. (retd.), is not only a welcome addition to the meagre literature on police, but a pioneering work of high quality. In a small volume of 395 pages, the author has capsuled his varied experience accumulated during thirtysix years of outstanding service in the Indian Police. As one wades through the pages, he meets eminent police authorities, like Bird, Grant, Curry, Ellenborough, Reith, Hoover, Elgin, Wood and countless others who have something very pertinent and proposeful to say about police administration in India. Obviously, the author has a vast expanse of scholarly data on his table which he has competently handled with care and insight.

The book has eleven Chapters, which may broadly be classified into three areas of study: (1) Historical, (2) Organizational, and (3) Problems confronting the Indian Police. The first two Chapters on the "Origin of Police" and "Development of Police in India" explain the incremental growth of the police system and the political and social philosophies governing the "Daroga System", "the Napier reforms", the Police Act of 1861 and the report of the Police Commission, 1902. The chapters on organization (IV to VII) succintly present the administrative structure of the Indian Police which no doubt State-based has to operate in collaboration with all kinds of auxiliary Central Police units evolved during the post-Independence era. The organizational and functional problems involved in policing the rural and metropolitan areas dealt in two separate Chapters provide a very illuminating reading. But the author is certainly at his best when he takes up the challenge of walking on live-wires in the dynamited areas, like corruption in police, police community relations, law and order sensitivities and the role of police in midwifing a democratic order in the society.

The book besides being extremely rich in details is a monument of industry and life-time experience. It is refreshingly candid and shockingly objective to the extent that the author who is a retired Director of National Police Academy finds his own organization "morally debased, financially starved and badly misused far too long" (Preface, p. *ii*). It is written in the anguished spirit of a policeman, who finds that his average colleague "not only experiences a void in his existence but also finds his work least rewarding". Yet, when Shri Misra confesses that his departmental officers "have been reduced to impotence by the system", he does believe that "many of the adverse conceptions about the police are the result of public ignorance . . . and functional inadequacies" of the organization.

The study includes a remarkably brilliant Chapter on "The Role of

Police in India", where-in the author quite ably makes out a case for police autonomy and its independence from magisterial control. He finds the present dyarchical procedure "unique in the world" as it encourages "police to utter irresponsibility without any ethics of conduct and leaning heavily on the magistrates for protection against public complaints" (p. 41). The last chapter on corruption presents a factual survey of the police scene, covering historical environmental, human and personnel factors leading to undesirable configurations. One may not agree with Shri Misra that "police is not more corrupt than other public services" (p. 265), still one must readily support him when he aptly concludes that "unless about fifty per cent of the constables have a reasonable chance of getting promoted to the rank of a Sub-Inspector, no respectable youngman would like to do a monotonous and thankless job and bear the ridicule" (p. 276).

On the weaker side of the study, it can be said that it is mostly a descriptive prescriptive affair and pursues a typical "ought and cannot" approach. For instance, at one place, the author envisages the role of the Central government *vis-a-vis* state police administrations as "primarily adviser coordinative and of rendering assistance." Then immediately after, in another breath, he adds that "the Centre must not hesitate to use the existing powers effectively and ruthlessly" (p. 182). Similarly, it sounds tenable to plead for a democratic police with positive functions and clear-cut responsibility. But, then, when it comes to the crunch, the author takes shelter behind 'the morale theory' and rejects the Judicial enquiry demand in police firing cases saying that "it is neither fair to the police nor does it in any way benefit the public" (p. 258).

The book is replete with odd quotations including a ceremonial quote from the late Prime Minister Nehru. Little has been said about the problems and prospects of modernization of the police machine, especially at the lower levels. Perhaps a very useful chapter could have been added on 'Police Budgets and Planned Development during last two decades'.

It will be too naive to expect a finished research work from a retired police officer. The author too has no pretensions about it. Though highly useful as a text-book, the present study lacks sophistication and authentic documentation. Even the footnotes do not bear the page numbers and the absence of a bibliography is not very helpful.

Yet the book, on the whole, is the first of its kind and can be called a path-breaking venture. Unlike the Bayley study, it is not very scientific, but it certainly contains ripe thoughts and cumulated wisdom of experience so very necessary to build a future police force for the country. The National Police Academy deserves all praise for encouraging Shri Misra "to use the well-earned leisure of his retirement", in this stimulating and gainful endeavour.

—PRABHU DATTA SHARMA

PANCHAYATI RAJ ADMINISTRATION — OLD CONTROLS AND NEW CHALLENGES. By IQBAL NARAIN, SUSHIL KUMAR, P. C. MATHUR and Associates, New Delhi, IIPA, 1970, pp. 222, Rs. 25.

In the late fifties, when the establishment of the institution of Panchayati Raj was being debated upon by the Balwantray Mehta Study

Team, there were many who ideally thought that the concept of control over such institutions was not only superfluous but was repugnant to the whole idea of Panchayati Raj (PR). They argued that the primary purpose of the establishment of the PR was to create local self-governing communities in the rural India and, therefore, any attempt to control them from above would defeat the very purpose of its establishment. However, the actual working of the PR institutions in the various States in India soon demonstrated that such institutions could not function smoothly without any effective control and guidance from above, and that not only this was necessary for establishing sound traditions and conventions for the PR system, but was also essential for the "technical performance in the fulfilment of various programme targets which comprise the whole national programmes". The problem of external control is still viewed as dichotonous with the "internal self-regulation" of the PR system. It is generally contended that if this is to be effective, it could only be at the cost of the autonomous character of the PR institutions. Such an approach has not only resulted in an effective control of the State Governments over the PR institutions in any States of India, but has also been responsible for the chaotic conditions of the PR systems of many States in the absence of any proper guidance and supervision.

Professor Iqbal Narain and his associates deserve to be congratulated for their efforts made in the present study to remove this popular misconception and to demonstrate through empirical and comparative approach on an inter-state basis that one need not necessarily view autonomy, external control and internal self-regulation from a dichotomous angle; the three could be treated as a part of a continuum with external control and internal self-regulation supplementing each other and both, in turn, contributing to the realization of the ideal of as much local autonomy as is possible under a system which is committed to socialism as its goal and to centralized national planning as the pathway to its objective". The study, conducted by the Cell for Applied Research in Rural and Urban Politics in the Department of Political Science, University of Rajasthan, was sponsored by the Indian Institute of Public Administration on behalf of the Administrative Reforms Commission "with a view to providing expert insight into the deliberations of the Commission". The five basic questions on which it has focussed its attention are: (*a*) the desirability and possibility of an alternative to the State Government for purposes of vesting the powers of supervision and control over Panchayati Raj bodies; (*b*) the necessity to retain all the traditional media of supervision and control of the colonial days in view of the emerging political realities and developmental (particularly economic) responsibilities of panchayati raj bodies in the various States; (*c*) necessity and the machinery for the exercise of certain statutorized forms of supervision and control over the officials working in the various panchayati raj institutions; (*d*) the relationship of elected non-officials and their supervision and control over the panchayati raj officials; and (*e*) the powers of supervision and control in the panchayati raj institutions on a vertical basis.

The main recommendation of the study, which is based upon an empirical analysis and an extensive field study of the institutional, administrative, technical and financial-media of supervision and control of PR institutions in the States of Madras (Tamil Nadu), Maharashtra, and Rajasthan, is the establishment of an

independent regulatory board or tribunal to regulate the working of the PR institutions on the lines of the Independent Regulatory Agencies in the administration of the United States Government. It suggests that the existing Revenue Board, an integral and yet quasi-independent adjunct of the State administrative machinery, is eminently suited for handling the media of external control over the PR institutions. The argument is made on the ground that it has a quasi-judicial status and is possessed of a special knowledge of rural affairs. Besides, it is constituted of the topmost administrative civil servant of the State and has already been handling some significant powers and functions concerning control and supervision. It is also hoped that it would be helpful in smoothening the relationship between the government officials belonging to the revenue departments and other developmental departments and that it would be a most suitable agency for control even when the recently mooted proposals regarding land revenue are put into practice. The powers and functions proposed to be assigned to the revenue board include: (*i*) Adjudication in inter-institutional conflicts; (*ii*) Dissolution and Supersession; (*iii*) Removal of office-bearers and members, (*iv*) Enforcement of no-confidence motion; (*v*) Appeals regarding cancellation or suspension of orders and resolutions by the government and against cases of supersession by the government; and (*vi*) Inspections and enquiries. It should be noted, however, that the authors of the study consider "revenue board" only as the "second-best" solution. The ideal administrative institution, in their opinion, would be the setting up of independent regulatory boards or administrative tribunals constituted at the district level to deal with complaints, grievances and enquiries in regard to misuse of powers, funds, etc., both against the officials and non-officials together with a state level tribunal where appeals against district level tribunals would lie.

The study further recommends that a minimum amount of external institutional and administrative control over the PR institutions should also continue to be vested in the State governments which may broadly cover: (*i*) control over area and jurisdiction; (*ii*) control over strength and composition; (*iii*) control over the functional schedule; (*iv*) control over records and papers; (*v*) supersession; (*vi*) cancellation and suspension of orders and resolution; (*vii*) powers to issue general directions; (*viii*) prescription of forms, formalities and procedural norms; (*ix*) compulsive performance of duties in case of persistent default; (*x*) inspections and enquiries; and (*xi*) control of delegated legislation. The report also make suggestions for legislative control over the revenue boards through the discussion of their annual reports. The remodelling of the principal administrative department, hitherto concerned with the institutional and administrative control and supervision over the PR institutions, on the lines of a Development Department with a Development Commissioner of the Secretary's rank, is also suggested as a central watchdog over technical departments, exercising technical control and supervision in regard to these bodies. Further recommendations of the study are: pooling together on a projective basis the entire possible resources in a five yearly budgetary plan, and the internalization of the powers of budgetary approval within the PR system; reorientation of the local non-official head and official head of the PR institutions in the prestigious and mutually respectable plank of relationship through the acceptance of the principle of uninhibited supremacy of the non-official political chief and the

observance of a distinction between the deliberative and policy formulation functions, on the one hand, and the administrative functions, on the other. And finally, the study suggests that the Chief Executive should belong to the Central or State Administrative Service.

The suggestions of the study are quite revolutionary inasmuch as they purport to propound a new philosophy of "control and supervision mechanism" of the PR system. However, a traditional and a conservative system of administration may find it extremely difficult to work such innovations in practice. There is no doubt that the study is a result of some painstaking researches on the part of the members of the group and the case for a "thorough overhaul of control mechanism" has been convincingly and logically made out. It is a pity, therefore, that the Administrative Reforms Commission, in its Report on State Administration, did not find itself agreeable to the idea of State control and supervision over PR institutions and has not said a word about the acceptance of the proposal of an independent regulatory board as an instrument of control over the PR institutions. In fact, the Commission was opposed to the very idea of state control and supervision. It argued that supervision in the sense of overseeing and/or guiding day to day work of the PR bodies is neither desirable nor, in fact, feasible on the ground that after having transferred powers to these bodies, it will hardly be in keeping with the concept of self-regulation that their activities should be supervised or directed by an outside agency, like the Collector. Nor would it be possible for the Zila-Parishad to supervise the day to day working of the hundreds of PR institutions in the district. It is indeed disheartening that the policy-oriented findings of a research enquiry (howsoever startling), conducted by a selected band of academics on behalf of a governmental agency after a thorough analysis of the situation and a good deal of reflective thinking, should have been simply ignored without a proper appreciation. The Commission's attitude in this respect is typical of the general apathy of the Government towards the administrative innovations advocated by the academics even after a meaningful and policy-orientation research on governmental problems, which is so much a part of policy-formulation process in other countries.

However, from an academic and methodological viewpoint, the study has been a very useful one. It convincingly demonstrates the use of comparative methodology for policy-orientation researches in the field of public administration in an intra-national perspective. The study should be able to give much needed impetus for researchers in public administration to embark upon a series of comparative studies relating to various aspects of local and state administration in India. Inspite of the rich varieties of cultural, political and administrative diversity in various states of India, students of public administration have been slow in undertaking researches relating to a comparative study of administrative phenomenon. It is high time that such research projects are undertaken with a sharp focus on policy orientation, notwithstanding the fact that a hardened bureaucracy may not sometimes find it palatable to take note of such researches for improvement in the administrative system. The study also emphasises the importance of group research through a combination of desk and field work for investigation of a crisis area in public administration.

Despite its being highly relevant and useful, the study, being too radical

in approach, may not find adequate response from the administrators, and may be made little use of by the students of local administration, who may find it too dry and technical in nature, and specifically limited to a narrow area of concern.

—R. B. JAIN

STRIKE OF SUPERVISORY STAFF IN THE STATE BANK OF INDIA, By PROF. ISHWAR DAYAL AND DR. BALDEV R. SHARMA, Bombay, Progressive Corporation, 1971, p. 110, Rs. 10.

In the industrial relations area, there are very few books based on the Indian experience. We must congratulate the authors for bringing out this book which not only describes the scene but also analysis the forces operating on the scene. The area of industrial relations is such where we cannot depend on the experience in other countries because the weightages that are to be assigned to the various forces cannot be determined by the theory formulated by a social scientist or a political theorist. These weightages are determined mainly by the social, political, economical and historical background. It is in this context that more and more studies are required which would analyse the Indian experience and throw light on the interplay of the various forces on the Indian scene.

One of the major messages which the authors try to convey and which is very important at the historical phase of industrial relations in our country is that there is a need for the management to look at industrial relations not as settling human problems on a day-to-day basis either benevolently or otherwise. The authors conclude the book in the following words: "We must reiterate that the improvement in the present situation is due to the initiative and sincere, unprejudiced efforts of a few individuals. We believe that the stability of the relationships in future would depend upon how successful the Management are in *institutionalizing the open relationships*. Individual initiative, drive or sensitiveness is invaluable, but the continuity of achievement through these qualities must rest on the institutional practices that nourish and absorb them. It is found that when practices that induce growth and achievement are institutionalized, the advantages of individual achievement to the organization become regenerative and continue to contribute towards its viability. For perpetrating this, the Management of the State Bank and the Federation would have to ensure that problem-solving attitudes pervade through relationships at all levels and in all major issues."

Another important theme that is running through the study is the theme of alienation which is being caused by the job technology operating in banking and most other industries. Most of the new entrants to the banking industry are graduates and because of the relatively higher salaries paid by the industry, these people are usually above average in intelligence. When these people are asked to perform tasks which can be performed by even a non-matriculate, they feel consciously or unconsciously that their capacities are not being properly utilized. They feel that they are not treated as human beings, but are just cogs in the machine. This is primarily because the jobs in the industry have been designed on the "assembly line model" presuming that the worker has no brain or that he has no other social and ego needs. There are a number of studies that are now being conducted in the United States and certain European

countries which are highlighting these factors arising out of the job technology based on assembly line model. In India, however, we have not yet done enough work on these lines. The present study, however, suggests that the job technology has much to do with the dissatisfaction resulting in strikes as in the present study. As the authors point out, "Our general assessment is that the State Bank officials are generally satisfied with a banking career and are also quite happy with their own bank. However, they are not equally satisfied with their tasks which seem to be the source of alienation for them." The response of the bank officers indicating their desire to stay in the bank may be primarily due to the relatively higher wages they are paid by the industry. But this alone is no guarantee that they would not be dissatisfied and, therefore, would perform their tasks as expected by the management. Both the management and the federation may have to go deeper into some of these factors and reformulate the strategies of future action.

Fortunately, the authors were making a study of the banking industry which included the State Bank prior to the strike. Even after the strike, the authors have continued to help the bank in its reorganization efforts. This is a rare opportunity, as in India very few people with scientific mind working in the Universities or management institutes get to work closely with an industry/organization so as to know intimately the multitude of forces that are operating on the scene. We sincerely hope that the authors will contribute many more studies and throw light on the drama of these multitude of forces. The studies which the authors would be doing in the banking industry would be very useful, not only to the banking industry but also to the other industries because banking being a service industry, many of the relationships that one can find here can be found in many other industries of the future. We again congratulate the authors for presenting this excellent study and hope that they would continue to contribute more studies in this area.

— S. S. KULKARNI

THE ADMINISTRATIVE REFORMS COMMISSION. By S. R. MAHESHWARI, Agra, Lakshmi Narain Agarwal, 1972, p. 570, Rs. 45.

This is Dr. Maheshwari's fifth book on the administrative system of India published during the last four years. In 1968 came out *Indian Administration* (Orient Longman). It was followed by *The Evolution of Indian Administration* (Lakshmi Narain Agarwal) published in 1970. A year later was published *Local Government in India* (Orient Longman). The same year the Indian Institute of Public Administration brought out his doctoral dissertation on *Government Through Consultation: Advisory Committees in Indian Government.* The latest in the series is the book under review published this year. I must say that Dr. Maheshwari was particularly suited to write on this subject as he had worked for two years (1966 to 1968) in the Department of Administrative Reforms of the Ministry of Home Affairs as Chief Research Officer and this gave him a good opportunity to gain first hand insight into governmental administration, particularly its aspect of reforming administration. He also assisted one of the Study Teams of the Administrative Reforms Commission. At the Indian Institute of Public Administration, where he works, he is in charge of programmes connected with techniques of administrative reforms.

The need for reforms in any governmental system is recognized on all hands. One of the problems facing any administrative system anywhere is obsolescence of its organization and procedures. This is specially so in a fast moving society under the impact of scientific and technological changes. No government can hope to deliver goods unless it is sensitive to this phenomenon and is adequately responsive to it. The O & M units of various administrative agencies are, therefore, continuously engaged in improving methods and procedures. But such efforts, while useful, have only limited impact, and governments are obliged to appoint off and on high-powered Commissions or Committees to investigate into the working of administrative apparatus and recommend changes with a view to making it more effective and productive. Governments in India have been no exception, and even before Independence a number of committees and a few royal commissions had been appointed to recommend changes in administration more particularly at the time of the enactment of statutes transferring more power and additional responsibilities to Indian hands in 1919 and 1935. Even during the Second World War, the Government of India realized the need to streamline the administrative system to cope with the post-War problems and responsibilities and it appointed Richard Tottenham in 1945 to submit a report on it. This process has continued even after 1947.

The book is divided into four parts and has sixteen chapters followed by four important appendices. Part I has two chapters. Chapter one is in the nature of a prologue and discusses the need for and the philosophy of administrative reforms. Dr. Maheshwari has rightly devoted chapter two to give a brief account of attempts at administrative reforms since 1947. He has included in this account certain reports which have not yet been officially published, thus helping scholars who did not have access to such reports. I wonder why the author has omitted to mention V. T. Krishnamachari's Report of 1963. Part II includes 6 chapters. The author traces the genesis of the Administrative Reforms Commission in Chapter III. The role of the Indian Institute of Public Administration deserves special mention in this respect. It devoted, in 1963, a special number of its reputed journal on *Administrative Reforms Since Independence* and in it its editor emphasized the need for enquiry into entire administrative system. The Institute followed this suggestion by organizing two conferences on Administrative Reforms in 1963 and 1964. Among the participants were distinguished public officials, academicians and public men. The conference met under the chairmanship of Dr. C. D. Deshmukh and I had the privilege of organizing these conferences as the secretary. The second conference recommended the setting up of a high-power Commission on the lines of the Hoover Commission in the USA to make a comprehensive survey of the entire administrative apparatus in India.

The remaining chapters 4, 5, 6, 7 and 8 deal with the nature and scope of the Commission and its membership, its secretariat and methodology of its working. Part III of the book has 6 chapters. Here, the author describes the principal findings and recommendations of the Commission in the areas of machinery of government, public personnel, methods and procedures of work, centre-state relationship, and redress of citizens' grievances. Part IV has two chapters. Chapter 15 deals with the crucial problem of the implementation of the recommendations of the Commission, the machinery recommended

by it for processing its recommendations and the Government's action on its recommendations. The last chapter titled Epilogue "seeks to survey the whole exercise with a view to identifying major difficulties and hurdles in the path of administrative reforms in the country and deriving, if possible, patterns of action, guidelines and at least *lessons* for the future".

The appendices include the governmental resolution under which the Commission was set up, the questionnaire of an important study team, the summary of the Commission's recommendations, the detailed account of the governmental decisions on these recommendations, and finally, the report of the Committee of Governors which the President had set up to evolve gubernatorial norms and guidelines of action.

I would like to draw particular attention to appendices III and IV. Appendix III is correctly entitled as the epitome of the co[illegible] Report inasmuch as Dr. M[illegible] carefully summarises the m[illegible] mendations of importan[illegible] Appendix IV is by far [illegible] important portion of the [illegible] this, the author has give[illegible] ment's decisions on vario[illegible] mendations of the Comm[illegible] where possible has indi[illegible] extent of implementation [illegible] decisions.

Dr. Maheshwari is [illegible] academician to write on [illegible] important topic and he ha[illegible] to bear on it hard work in [illegible] so much information, s[illegible] details and critically anal[illegible] various aspects of the Con[illegible] work. This useful work, I[illegible] will serve as reference wo[illegible] field for some time to com[illegible]

I must also congrat[illegible] publishers for the nice pr[illegible] fine get-up of the book.

—A.

NEW TOWNS IN INDIA, By VED PRAKASH (Monogra[illegible] of the Duke University Programme in Comparative Studies on [illegible] Asia), Wyoming (Detroit), The Cellar Book Shop (Distributor[illegible] pp. x+149.

The monograph is the result of a study made by the author under a Ford Foundation Fellowship and travel grant in 1963-65. It covers what the author calls "planned new towns in India since Independence" (a list of these is given in Appendix B). These include about 33 refugee towns and colonies, 32 industrial company towns and three administrative centres of Chandigarh, Bhubaneswar (Orissa) and Gandhinagar (Gujarat). A very comprehensive questionnaire circulated to the town administrations is given in Appendix A. The author selected 17 such towns for detailed investigations pertaining to planning procedures and standards, the costs of development and the n[illegible] financing and visited the[illegible] to collect data. It appears[illegible] he could get full data about[illegible] and costs of development, [illegible] from Chandigarh, Bhilai, [illegible] Durgapur, Pimpri and Nam[illegible] have been analysed in th[illegible] graph. Some information [illegible] been cited in respect of the[illegible] HAL townships at Bangalo[illegible] as from Neyveli, Dand[illegible] Faridabad.

The author's idea of [illegible] town may not be in keeping [illegible] connotation that the term [illegible] modern town planning theo[illegible]

operational terms, his definition has "three major components: a conscious decision with regard to the location; an authority--private or public—for preparation of a plan for the area; and a mechanism either to implement or to exercise a control over the execution of the plan". Most of the "towns" under study would not even satisfy these criteria. Out of the towns studied, only Chandigarh can be considered to have broader perspectives of a new town--generating its own momentum of an urban settlement with all its implications for growth. Only Chandigarh was planned on a large scale and its development regulated under a statute. Most of the other places seleced for the study are not those of planning and developing new settlements in which the various socio-economic activities of the new residents should find their own focus and adjustment. The Units studied are no more than townships, colonies or neighbourhoods often constructed as adjuncts to existing cities to provide for a part of the work force of an industry or for meeting the expedient requirements of the rehabilitation of refugees. It is not, therefore, surprising, as the author observes (page 22), that "most of these towns were originally planned as single purpose communities and single-industry towns. Questions of economy of scale, localization and urbanization were not given any serious consideration". The company townships did not naturally have any regional or broad developmental perspective. Their plans were aimed only at providing housing and other facilities for their own employees and there was no question of their having given any thought at all to the needs of any potential ancillary and service functions, much less to the needs of their employees. In fact, the company towns were not able to meet even the requirements of their own work-force. The HAL and the ITI (Doorvaninagar) townships at Bangalore catered but for only 12.9 per cent and 17.8 per cent of their employees respectively leaving the others to crowd into the city of Bangalore.

The basic discrepancy in the concept and idea of the new town has naturally resulted in presenting a rather distorted picture of what the new towns could have been had they been planned and developed as independent entities with all the perspectives of planning standards and development costs in relation to the needs of the communities. In the case of these company towns, the standards adopted appear to be excessive and they are referred to as having been planned and developed as garden cities. They are, objectively speaking, merely housing colonies in the colonial civil lines tradition, interspersed with housing facilities for a percentage of lower grade employees.

This would be clear from the fact that the density per gross acre varied from 17 to 61 per acre and the percentage of parks and open spaces was as high as 69.2 per cent in one case and above 25 per cent in a number of other cases while the area for roads and streets accounted for ¼ of the developed land. The water supply per capita has been stated to vary from 30 gallons in Chandigarh to over 90 gallons in Bhilai while Doorvaninagar (ITI) had only 15 to 20 gallons per capita.

A very important part of the Monograph is the analysis of capital and maintenance costs in the so-called new towns. Land development costs and building costs have been analysed separately. As far as the various company towns are concerned, this cost analysis would not have any scientific bearing on the problems of town development and provision of infrastructure. It

is, however, interesting to note in the case of the first phase of the development of Chandigarh that water supply, sewerage and drainage alone accounted for 45.3 per cent of the land development costs while roads accounted for 16 per cent. The per capita land development costs average Rs. 913 while for Chandigarh the figure is Rs. 804. The overall land development costs in respect of Chandigarh are shown to be Rs. 24,650 per acre. These costs, however, suffer from certain limitations. As the author points out on page 44, the capital costs analyzed are estimated costs and not actual expenditure. These estimates would now date back to the early fifties and have hardly any relevance today. It would have been useful to take up the rates at which developed land was offered by the Chandigarh project to private individuals more or less on a cost basis. The general rates at which land was disposed of in Chandigarh would average about Rs 10 per sq. yd. so that a plot of 200 sq. yd. costs Rs. 2,000. This would give a per capita land cost of Rs. 200 on the basis of two families being accommodated in two and a half flats that could be built on a plot of this size. These costs have now risen to about Rs. 35 to Rs. 40 per sq. yd.

The author has observed on page 68 that "municipal finance theory, as well as sound financial principles, demand that land development costs should be financed mainly through municipal taxes, the public utility cost to be charged for the services and the housing costs through rental receipts for residential buildings". None of these presumptions would be quite correct. No municipal agency can afford to meet capital costs of land development out of property taxes. Land development costs have to be met out of the price payable by individuals for urban sites. It is only the maintenance of services that can be expected to be met out of municipal taxation. Even for the public utilities, particularly sewerage and drainage facilities, it would not be possible to recover the entire capital investment from taxation. As regards housing costs specially housing for the low income groups and housing for Government and Company employees, it has to be and is being heavily subsidised.

This also explains the paradox brought out on pages 67-68 in the analysis of operating costs for new towns. Such maintenance and operating costs constituted between 57 per cent and 70 per cent of the personal incomes per capita. Nevertheless, it is a fact that the operating costs in most of the company towns have been much higher—even ten times as high as the per capita income available to most of the municipal governments in the country. This underlines the problem of provision and maintenance of municipal services in our towns and cities.

The Monograph with all its limitations, however, is the first study of this kind available in respect of analysis of planning standards and development costs and their implications for urban development. I wish the author had received greater cooperation in the matter of supply of data. The line of approach indicated by the author might as well be taken up for more fruitful analysis of urban development patterns and costs, to focus attention of our planners on the urgent necessity of providing financial and technical support to enable our cities to meet the urban challenge.

—Deva Raj

Editorial Note

During the last year and half there has been almost a national debate on Taxation Policy and Tax Administration in India. The Direct Taxes Enquiry Committee, appointed by the Government of India, under the chairmanship of Shri Justice K. N. Wanchoo, submitted its final report in December, 1971. The Report and the discussions that followed its publication brought up number of issues. The theme "Taxation Policy and Tax Administration" was, therefore, selected for the special number, this year. Unlike in the previous years a limited area of public administration was identified for consideration.

The effort in this year's special number has been to study a more specific and specialized subject in some depth. Accordingly, various aspects of the main subject have been touched upon by the contributors. Some aspects have received attention from more than one contributor; some other points made in the articles, however, reflect particular points of view. Issues which have not received adequate attention during the recent times but are of more fundamental nature, have also been referred to in some of the articles.

From the articles in this number it becomes obvious that since Independence much time and energy have been devoted to the study of Taxation Policy and Tax Administration with a view to achieving improvements in these two areas. The general finding, however, seems to be that taxation policy, as an important and powerful instrument for realizing the socio-economic goals, needs to be very closely and realistically related to the basic national objectives. Certain modicum of continuity in policy over a period of time also seems to be desirable, so that difficulties and shortcomings can be pinpointed. About tax administration some very valuable suggestions have been made. It

seems to us that there is a need to debate and explore further the suggestions put forth in these articles with a view to making them meaningful to those who are engaged in the task of shaping our Taxation Policy and Tax Administration.

We take this opportunity to thank those who contributed articles to the special number on this important and lively subject.

Once again we request our members and readers for suggestions regarding the segments of public policy and administration that could be taken up in the forthcoming issues of the Journal.

—*Editor*

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Vol. XVIII   July-September, 1972   No. 3

TAXATION POLICY AND TAX ADMINISTRATIVE PROBLEMS

Asok Chanda

WHEN we talk of tax burden or tax relief, we have the incidence of income tax in mind. Taxation has, thus, tended to become synonymous with income tax. Is it because of semantics, the other central levies being dubbed 'duties', that it is so or is it because it touches the pockets of the influential section of the community, namely, the industrialists, businessmen, professionals and the salaried classes? Yet, only 30,12,570 individuals, in a population of 548 millions, pay income tax and its yield is not comparable to the contribution excise duties make to the central fisc.

Because of the impact of evasion of income tax on price level and economic conditions in general, Government also attaches greater importance to this levy than to others. Though excise duties are the mainstay of the Centre today, there has only been one independent review of its structure and administration in 1963 by the Central Excise Reorganisation Committee, of which I was the Chairman. A similar study of customs duty was undertaken in 1958-59 by a committee headed by Shri Badhwar, one-time Chairman of the Railway Board. On the other hand, there have been as many as seven studies in depth into the structure of income tax and the social and economic offences of evasion in a span of 24 years. Shortly after Independence, the Income Tax Investigation Commission was constituted in 1948. It was followed in quick succession by the Taxation Inquiry Commission in 1953-54; a review by Nicholas Kaldor in 1956, the Tyagi Committee in 1958-59, a

study by Shri Bhoothalingam in 1967, the working group, headed by Shri Tyagi, appointed by the Administrative Reforms Commission and the report of the Commission thereon, and finally by the Wanchoo Committee which has just reported. Though the terms of reference of the committees were somewhat different, they covered, more or less, the same ground.

In the last ten years, the Income Tax Act has been amended 24 times incorporating over 800 amendments. While the Income Tax Act, 1922, had 68 sections, the Act had in 1961 as many as 298 sections and the process of elaboration continues. Yet, we are told that the levy of the tax is being progressively simplified. Be as it may, none would dispute that there should be a measure of stability in the provisions for the levy of income tax and corporation tax. This would help the corporate sector in planning its modernization and expansion programmes on a long-term basis; it would equally help the individual to assess his commitments over a longer period than a year and organize his financial affairs accordingly. Just as the socio-economic growth of the country is planned for five years at a time, so must taxation policy and the objectives it seeks to fulfil be planned on a five-year basis to stimulate investments and accelerate industrial development.

There is also the need for reviewing fiscal levies as a connected whole, assessing their interaction and providing for their integration to the extent feasible.

Agricultural Income Tax

Such a review must necessarily take into account the taxation of the rural sector, which accounts for about half the national income. Though largely for historical reasons, agricultural income tax was placed in the State List in the division of power in our Constitution, it cannot obviously be left out in a comprehensive review of tax levies. But the specious argument may again be put forward that the agriculturist pays a land revenue, why should he be subjected to a further impost? Because of their inter-relationship, which is often exploited, it is necessary to make a brief reference to land revenue. The importance of land revenue, which was the backbone of Indian finance sustaining both the central and provincial governments at one time, has dwindled over the years mainly for political reasons. No political party is inclined to alienate the predominant rural votes by continuing settlement operations as a prelude to periodic revision of land revenue. The trend has been to abate its incidence and to release smaller holdings from payments altogether. No one will cavil at the relief given but it should have been offset by a graded scale of levy from larger holdings.

For identical reasons, most of the States are reluctant to impose agricultural income tax in addition to or in substitution of land revenue. Punjab and Gujarat having the highest and the third highest per capita income in the country do not levy agricultural income tax, though both have 'rationalized' their land revenue systems. Even where levied, agricultural income is treated as an entity by itself and not grossed up with incomes from other sources, either for computing agricultural income tax or income tax proper. Secondly, there is no uniformity in the exemption limits prescribed by the different States. While the limit is Rs. 3,500 in Tamil Nadu, it is Rs. 36,000 in Maharashtra, *i.e.*, over ten times the limit of Tamil Nadu and over seven times the exemption limit of income tax. Further, in most of the States having agricultural income tax, compounding the tax for a pitiful sum based on the extent of holdings is permitted and widely availed of, defeating the very purpose of taxation of income on the basis of capacity to pay. As a result of these varying rates and the reluctance of some of the governments to impose or adjust this levy, the combined yield of land revenue and agricultural income tax formed in 1970-71, 0.85 per cent of the net output of the agricultural sector. This is out of line with the yield of income tax, which in the same year formed 2.6 per cent of the net output of the non-agricultural sector.

At long last, it has been realized that without an appropriate contribution by the rural sector, the economic growth of the country cannot be sustained. The Raj Committee has been appointed to study this question and make suitable recommendations. Though the ceilings on land holdings, recently brought into force, will inevitably cut into agricultural incomes, there will still be ample scope and the need for tapping the rural sector. It may well be necessary to amend the Constitution to transfer agricultural income tax to the Union List with the proviso that the collections would be distributed to the States on the basis of their origin. Alternatively, a rental agreement, as for levy of income tax devised in the U.S.A. and Canada, could be negotiated with the States to suspend their right in return for predetermined compensations.

Central Levies

Taxation is a major instrument of policy; it is also the means to an end. It provides the wherewithal to the State to sustain its administrative apparatus, to give shape to its social and economic policies and to provide for the security of the country against external aggression and internal disturbances. Taxation draws off a portion of the national income for the aforesaid purposes. In its broad concept, it would

race all levies by the Central and State Governments and also by l authorities. This study is, however, limited to the central levies.

The central levies are divided into two broad categories: direct s—incorporating corporation tax, income tax, wealth tax, gift tax estate duty—and indirect taxes—comprising customs duties and e duties. Obviously, the same principle or policy could not be ied to these differing levies. It is difficult, again, to lay down a y which would hold indefinitely. It has to be varied but only changing conditions make this inevitable; a levy imposed, for nple, to meet a special situation should be taken off when the need t has disappeared. But, unfortunately, this does not happen and axation system has, thus, become haphazard and irrational. It is aspect that needs special study and treatment.

oration Tax

As a general principle, it may be laid down that corporation tax ld siphon off half the profits of the corporate sector, the other half g left for payment of dividend to shareholders, bonus to employees for building up reserves for modernization and future expansion. present levy of 55 per cent (65 per cent in the case of private and rolled companies) should, therefore, be scaled down. There is dditional consideration for this adjustment. Government has ded its intention to withdraw the development rebate from June 1, . The reduction from 55 to 50 per cent of the rate will not, thus, e an appreciable difference to its yield. But there is one important edient in the computation of profit, which requires re-examination reassessment. Under the present dispensation, depreciation is wed on the cost of a capital asset on the reducing balance method. ugh there is a case for adopting a straight line method, it is not of great moment. There is, however, a case for the adoption of of replacement as the basis of calculation. Ignoring altogether important factor of obsolescence, the cost of replacement of a eciated asset is admittedly very much higher than its original cost, corporation tax takes no cognizance of it. It is not only reasonable essential that some cost adjustment should be allowed. Though ggestion that the capital cost of an asset should be increased by er cent for calculating depreciation does not go far enough, its tion would be logical and growth-oriented. *Pari passu*, the some- arbitrary and artificial distinction between closely held and other panies should be abolished, so must the distinction between private public limited companies. There is justification, however, for a er levy on foreign companies as the dividends repatriated do not

come under the purview of Indian income tax for a levy from the recipients.

It is not a part of this exercise to analyse the Wanchoo Report but nonetheless a passing reference should be made to two recommendations relating to the corporate sector. The committee recommends a levy of one per cent on the capital employed (including borrowed capital) by companies, when the need is to give the corporate sector elbow room to expand, it would be retrograde to impose this levy, which is nothing but a thinly disguised form of wealth tax, which was imposed in 1957 and taken off in 1960 because of its inhibiting impact on industrial growth. The committee also recommends a series of fiscal incentives to foster industrial growth in backward regions. It proposes a tax holiday for five years, exemption from custom duty of machinery and components imported and a transport subsidy to units located in comparatively inaccessible regions. It is necessary, however, to sound a note of caution. Industrialization does not necessarily bring about prosperity, particularly to regions which are best suited for the development of agriculture, horticulture, sericulture and poultry farming. There should be corresponding fiscal inducements and even subsidies to areas opting for non-industrial development.

Income Tax

The structure of income tax poses two issues; one is what should be the exemption limit and the other is what should be its incidence in the highest reaches of individual incomes. In determining the exemption limit, it would be only reasonable to take note of the price level in the country at the time and the prevailing purchasing power of the rupee. On both these counts, the present level of Rs. 5,000 a year is low for the low and medium income groups. Shri Chavan has admitted that the present purchasing power of a rupee is less than half of what it was a few years back. He has also admitted that price increases have been steep in the last few months. Even an exemption limit of Rs. 7,500 would not offset the two factors mentioned but it would not be an unreasonable starting base.

This brings me to the controversial area of the levy on higher incomes. The present levy is 97.5 per cent. Together with wealth tax payable, the incidence of taxation is over 100 per cent. Wanchoo Committee has recommended that it should be scaled down to 75 per cent. Its approach was that this should prove a disincentive to evasion. When the levy makes it profitable to evade tax on Rs. 30 than to earn honestly an additional Rs. 1,000, the committee avers that there is an in-built inducement to evasion in the high incidence of income tax. The

official experts have discounted this recommendation as tax evasions, they say, are prevalent 'at all levels of income'. But the question should be viewed not from the angle of evasion but from the angle of the larger interests of national economic growth. We should consider whether a confiscatory levy does not discourage initiative and enterprise, endeavour and achievement and react on industrial growth. Dr. Kaldor had recommended even a lower rate of income tax, as a part of his integrated scheme for the levy of a wealth tax, expenditure tax and income tax. But, unfortunately, government always accepts and acts on the recommendations of commissions and committees on a selective basis. It disregards the consideration that the recommendations they make are integrated recommendations, logically not, susceptible to piecemeal treatment. But there it is. One can only hope that one of these days, we shall have a finance ministry which believes in an economic miracle and adopts the means by which Dr. Erhart brought this about in the War-torn economy of West Germany. If the real motive in rejecting the case for lowering the maximum levy is that Government's financial schemes will suffer and larger balances in private hands will add to the money in circulation and lead to inflation, Government could introduce a scheme whereby, if a person saves 25 per cent of his income in recognized deposits and investments, the *whole* of the amount should be exempted from tax. Likewise, government should not give serious consideration to the clubbing of incomes of a husband and wife as recommended by the Wanchoo Committee for purposes of computing income tax. Under present-day conditions, a large number of wives have to seek employment out of necessity for meeting their household expenses. Clubing of incomes would, therefore, create genuine economic distress and even disturb the harmony in family life.

Customs Duty

Custom duties should have a dual objective in view. In addition to being a fiscal measure, it should have a conscious purpose in assisting industrial growth in the country. In the early twenties, the scale of import duty on steel together with the grant of a subsidy gave the nascent Tata Iron and Steel a firm foundation, enabling it to develop at one time, as the cheapest producer of quality steel in the world. But, though in theory, this principle still holds, its unimaginative use to foster import substitution without a proper study of its feasibility, has led to indifferent maintenance of established industries, reducing their effective capacity and, in extreme cases, resulting in their closure. It is not possible to quantify in this analysis a revision of the structure of levy of customs duty, which is now an amalgam of *ad valorem* and specific duties, except to advocate a pragmatic approach.

Excise Duty

An excise duty was levied for the first time in 1920-21 on two commodities. In the ten years following, there was a marginal increase in the number of commodities subject to duty to four. Since 1948-49 the coverage has been progressively increased to a large number of commodities, raw materials, components, semi-processed goods and finished goods alike. Its yield is expected to rise from a mere 4.68 per cent of total tax revenue in 1920-21 to 56 per cent in 1972-73, making a massive contribution of Rs. 2,470 crores to the central fisc. Just as its coverage and yield have increased manifold, so have the complexities of the levy and its administrative problems.

It is necessary, therefore, to examine whether any consistent policy has been pursued in the selection of commodities and in the determination of the rates to be levied on a wide range of commodities. Generally speaking, low-priced articles of high common consumption and luxury goods are best suited for excise levy. Commodities with relatively small revenue potential are best left alone. In view of their place in economic development, capital goods should be lightly, if at all, taxed. But these principles have not been observed in extending the sweep of the levy. This is established by the fact that increase in revenue attributable to new levies has not been in proportion to the number of additional commodities brought within the ambit of the levy. Secondly, fiscal preferences introduced to give an impetus to village and small-scale industries have not produced the results intended. It has been so, as preferences were not confined to industries which were complementary and not in competition with organized industry and to those which had distinct potential of becoming self-sufficient. The use of differential excise duties has also led to a fragmentation of units for coming within the preferred sector. This has reduced both production and employment defeating the purpose for which the preferences were designed.

While in the beginning, the coverage being small, it was possible to have a standard pattern of levy, it soon became necessary to devise different criteria and different rate structures for different commodities. Most of the excise duties are specific. Some *ad valorem* and some a combination of the two. Besides these basic duties, there are 'special duties' on 29 commodities, the proceeds of which do not form part of the divisible pool. A few 'additional duties' were introduced in 1957 in replacement of sales tax levied by State governments on some commodities. The effective rates of excise duty vary widely ranging from 4 per cent in the case of caustic soda to over 300 per cent in the case of motor spirit and high speed diesel oil. Generally speaking, excise

duties are multiple levies though there is a large range of exemptions to mitigate the multi-point effect. Because of the wide coverage of the levy and its application to widely different commodities, the administrative processes have tended to become quite elaborate.

The manufacturers are 'licensed' and are required to maintain daily accounts of production and despatches. Despatches are physically controlled by the excise authorities and the duty is collected at the time of 'clearance'. Normally, all clearances are made on gate passes countersigned by an excise officer. To relieve the strain on administration caused by this type of itemized control and physical supervision at various stages of production, the Committee on Central Excise Reorganization recommended that an 'audit type' of control should be introduced as an experimental measure. Since 1962, this modified control is applied to 11 industries. This arrangement permits assessment by the manufacturer himself, subject to a weekly check of the accounts of production, deliveries and payments.

Shri Bhoothalingam had recommended that the present system of levy should be replaced by a 'general excise duty' which should apply to all production. It would be applicable to the entire production of a unit whatever the number or variety of goods it produces from time to time. The duty would have to be *ad valorem*, being the value of production minus the value of material bought, for purposes of production to prevent what is known as the 'cascade effect'. He claimed that on this basis, the yield of the duties would reflect the growth of production more or less automatically and obviate the need for frequent changes in rates and search for more and more specific commodities. The administration of the tax will essentially be by assessment rather than by any type of physical control. He recognized, however, that the continuance of some of the existing excise duties was required both on revenue and policy reasons. Fourteen commodities, namely, tea, coffee, unmanufactured tobacco, sugar, mineral oil and their products, cotton textiles, rayon, cigarettes, matches, iron and steel, motor vehicles, tyres and tubes, cement and paper, were proposed to be kept outside the purview of the general excise levy and the present pattern of levy continued.

In this context, it is necessary to refer to the 'added value tax' evolved in France. Under this scheme a single general tax is levied at a low rate at the raw material stage. Thereafter, as value appreciates, following further refining and processing, the net appreciation in value attracts the tax. Thus, for example, bauxite is taxed when [illegible] from the quarry. After smelting into pig, the pig is taxed but

tax paid on bauxite is allowed to be set off so that only the appre-tion in value is taxed at that stage. The taxable appreciation is koned after deducting not only the value of tax on materials physi-ly incorporated in a product or wasted during manufacture, but also ter untaxed elements, such as depreciation on machinery, fuel, manu-turing and selling expenses, advertising, etc. In the net result, refore, the total tax is fractionalized and is paid as it were in instal-nts at successive stages. Fractionalization evens out the tax burden r several stages and reduces incentive to evasion. It also facilitates calculation of drawback of duty on exports. The Central Excise organization Committee had recommended that a special study of French system should be undertaken to consider its feasibility in lian conditions. But neither has this been done nor the Bhootha-pam scheme been introduced even on an experimental scale. All s underscores the need for a fresh review of the system of levies. An essment of the commodities which should be taxed and which should exempted and, above all, of streamlining the duty to make it rational l simple in its levy and collection is necessary.

ninistration

Down to 1963, there was a single Board of Revenue at the apex trolling all the three agencies responsible for collecting income , customs duties and excise duties. For historical reasons and due he primacy of income tax at one time, the Board was invariably ded by an income tax man, and this practice continued even after ise duties had overtaken the yield of all the direct taxes taken toge-r. The Central Excise Reorganization Committee considered that re was little affinity between direct and indirect taxes, and in view of growing importance and complexities of excise levies, they could no ger be left with the Board as an ancillary responsibility. In pursu-e of its recommendation, the Central Board of Revenue was bifurcat-into two boards—one for direct taxes and the other for indirect es.

The Board for Direct Taxes has currently five functional members, s supreme in his assigned sphere of functional responsibility. But does not accord with the concept of collective responsibility of Board make for collective wisdom in the shaping of policy. In conse-nce, the decisions of the Board have varied from time to time on the onal predilections of the member concerned. The decisions have been consistent or coherent and have often proved to be confused confusing. This lacuna has to be removed.

Secondly, the Board should be autonomous and regarded as the ıdviser to the finance minister on all matters relating to direct taxes. Government should not seek to influence the Board indirectly by giving ts members *ex-officio* secretariat status. Any directives government hoses to issue should be in writing and made available to Parliament. The Board should have a directorate of inspection and an internal audit roup, both fully accountable to it. This will enable the Board to take emedial measures and remould policy and procedures when needed. The Directorate of Research and Statistics should be developed into a Tax Research Institute—and its responsibilities should extend to cover ll Central levies. Appropriately, it should be under the finance ninistry, preferably the economic affairs wing, feeding it with material eeded not only for formulating budget proposals but also giving it n insight into the interplay of taxes on economic and industrial rowth.

These observations apply equally to the Board for Indirect Taxes. n addition, there is the need for coordinating customs and excise luties. There should not be an automatic countervailing excise duty o equal a customs duty levied. To give but one example, a customs luty was imposed on imported tractors, primarily to control the black-narket price of tractors but also to give an element of protection to the ascent tractor industry. The levy of a countervailing excise duty on ractors manufactured at higher cost does not give the industry any rotection but only reduces both its sale and growth potential.

The structure, functions and effectiveness of the apex organizations annot be disassociated from the nature of the levies and the rules framed or their regulation and collection. A continuous study and analysis f the taxes and a simplification of procedures should go a long way in emoving the crisis of confidence which haunts the tax-payer and the ollecting agents alike. In conclusion, I would advocate that a taxation nquiry commission should be constituted, without a political element ı its composition, to take a fresh look at all central and state levies nd to lay down guidelines for determining what should be regarded as e equitable share of the State in the national income.

A SOCIO-ECONOMIC OVERVIEW OF THE STRUCTURE OF DIRECT TAXES IN INDIA

Om Prakash

SIXTEEN years back, it was suggested by the present writer that "our fiscal gods are interested not so much in the march of socialism as in providing more elbow room to their purse strings"[1] and that "people would now attain new heights of perfection in the art of tax evasion".[2] These two premonitions seem to symbolize, respectively, the continued misdirection of tax policy and the persistent failure of tax administration during a quarter-century's history of Independent India. This ill-fated facet of the nation's socio-economic structure could possibly be dubbed as the Mount Everest of the Himalayan Blunders which fell to our lot on account of our overpreparedness to try sinister propositions.

THE KALDORIAN PHANTOM

On this score, the greatest damage appears to have followed the dangerously fanciful ideas of Mr. Nicholas Kaldor.[3] He was able to wield the magic wand on those who were too keen to reform the Indian tax system, even though he had virtually drawn blank in his own country. One of the comments on Mr. Kaldor's "expenditure tax" in an influential section of the British press was: "The use of a taxation system for achieving the egalitarian objectives of socialism is, of course, familiar politics but it goes ill for an economist to campaign for it knowing, as he should, that the expenditure of the rich causes hardly a ripple in the wide stream of the national consumption of goods and services."[4] It was also suggested that "as a critic Mr. Kaldor is brilliant, as a would be administrator of the Inland Revenue he is frightening".[5]

---

[1] Om Prakash, "Taxation Policy in a Transitional Economy", *The Indian Journal of Economics* (Special Number on Fiscal and Monetary Policy in honour of the late Lord Keynes), Vol. XXXVI, No. 144, July 1956, p. 7.

[2] *Ibid.*

[3] *See* Nicholas Kaldor, *An Expenditure Tax*, George Allen & Unwin, London, 1955. Also see *Indian Tax Reform*, Report of a Survey by Nicholas Kaldor, issued by the Department of Economic Affairs, Ministry of Finance, Government of India, New Delhi, 1956.

[4] *The Times Literary Supplement* (London), March 16, 1956.

[5] *Ibid.*

While the Government of India speedily introduced new measures of taxation, like Annual Tax on Wealth, Personal Expenditure Tax (later withdrawn), General Gift Tax and Capital Gains Tax, the only sensible recommendation of Mr. Kaldor with regard to drastic reduction in maximum rate of income tax (45 per cent on imcomes exceeding Rs. 25,000 in place of the prevailing marginal rate of 91.9 per cent on incomes exceeding Rs. 150,000 during the financial year 1956-57) did not find favour with our fiscal wizards. However, they readily accepted the contradictory nature of these new taxes which were adversely commented upon in following words by the present writer: "Mr. Kaldor's plan to induce an opposition of interests between various parties is naive if only because the average tax evader is likely to be rather cleverer than the average tax reformer; and the most skilful tax evader is certainly head and shoulders above the shrewdest tax reformer. Thus, tax evasion under the spendings tax may assume monstrous proportions. Even Mr. Kaldor, at one stage, concedes the possibility of a completely 'phoney' set of comprehensive accounts being maintained for purposes of tax evasion."[6]

It is a pity that even a recent document, like the Wanchoo Committee Report (December 1971) is being haunted by the Kaldorian phantom. While the Wanchoo Committee have not favoured the re-introduction of Expenditure Tax, they observe: "We recommend that a separate legal provision, analogous to Section 69, 69-A and 69-B be made in the Income Tax Act, 1961 which would enable the tax authorities to bring to tax the amount of 'unexplained expenditure'. It would, however, be necessary for the administration to ensure that the provision is not used to harass the small taxpayers by making them explain petty items of expenditure."[7]

According to the Committee's own confession, any requirement to submit an account of personal expenditure could prove to be a source of *great* harassment to the assessees—particularly the small taxpayers—since the more affluent amongst them are better placed to arrange for 'phoney' sets of accounts (as conceded even by Mr. Kaldor) and to perpetrate one fraud after another. And yet, the Wanchoo Committee

[6] Om Prakash, "An Indian View of the Expenditure Tax", The Manchester School of Economic and Social Studies (U.K.), January 1958, page 58. It was also visualised in that paper that *A* may sell a certain property (purchased for £ 10,000) to *B* for £ 12,000 but on paper the price may be shown as £ 10,000. *B* may sell it to C for [illegible] while the price on paper may still be shown at £ 10,000. This appears to have [illegible] many cases, involving evasion of not only stamp duty but also of Wealth [illegible] Capital Gains Tax, etc.

[7] Government of India, *Final Report of Direct Taxes Enquiry Committee* (Chairman, Mr. Justice K. N. Wanchoo), New Delhi, Ministry of Finance, December 1971, p. 43 (para [illegible]).

suggest that (as the vast majority of assessments will be based on returns without detailed scrutiny) it is necessary that the return form contains the *information required for making a proper assessment so that the* taxpayer is prevented from shifting his stand at his convenience. They further suggest that the return should contain a self-checking mechanism (maybe, again under the influence of Mr. Kaldor) which would help to test the correctness of the return and to decide whether it requires further scrutiny. From this and the following recommendation, it is very clear that the relatively small and honest taxpayer would be compelled to advertise his misery and to groan under the weight of a sinister requirement for submitting accounts of personal expenditure: "We, therefore, recommend that the form of return of income should be made more elaborate than what it is at present by incorporating a schedule of exempted income, net worth, personal expenditure and other outgoings. To start with, the requirement to furnish this additional information should be applicable only when the total income exceeds Rs. 15,000."[8]

That the Wanchoo Report has been able to blow hot and cold in the same breath is further evidenced by the following statement of John F. Due (made at a United Nations Seminar in Amsterdam in 1966) quoted by the Committee while giving their verdict against the Expenditure Tax: "But there are some rather serious objections to its use in the typical developing economy. Perhaps the most important is purely administrative; the tasks of enforcement are more severe than those of the usual income tax, since additional information is required."[9] That this *craze* for additional information is uncalled for is evident from the Committee's own view to the effect that the introduction of comprehensive return will involve integration of all the direct tax laws which is neither feasible nor comtemplated at present.

REVENUE AND ECONOMIC GROWTH

What is the foremost aim of our tax policy in the context of present day socio-economic environment in India? We could, *inter alia*, think of any of the following as a possible answer:

(1) raising maximum revenue for the State;

(2) securing maximum rate of economic growth for the nation;

(3) attaining socialist goals; and

(4) developing finest human values to their fullest.

---

8 "Final Report of Direct Taxes Enquiry Committee", *op. cit.*, p. 53 (Para 2.104). That is, if the Committee have their way, they would like to subject still smaller taxpayers to this abominable recommendation.

9 *Planning Domestic and External Resources for Investment*, Report of the Second Inter-Regional Seminar on Development Planning (p. 12), quoted in the Wanchoo Report on p. 56 (Para 2.106).

It would appear that, whether by accident or by design, most of the reports on the Indian tax system have had the maximization of public revenues as their mainstay. The Kaldor report started with a lamentation regarding the inadequacy of total revenue raised in taxation (being only 7 per cent of national income) and offered the promise of raising additional tax revenue of Rs. 1,250 crores over the duration of the Second Five Year Plan (as against a target of Rs. 450 crores) only.[10]

The Taxation Enquiry Commission (1953-54) had actually started on a more sobre tone observing as it did: "When the last Taxation Enquiry Committee reported in 1925, the political and economic scene in India was different from that which we find today. . . . There was no plan of economic development nor was there any attempt at building up a Welfare State".[11] While spelling out the economic objectives of free India, the Commission observed: "There is the paramount need to increase public outlays on economic development and on social welfare concurrently with increased investment on economic development in the private sector. There is simultaneously an imperative need to diminish inequalities in income and wealth in the community. It is in the context of these apparently contradictory objectives that the tax system has to be examined."[12] But even the Taxation Enquiry Commission could not resist the temptation of emphasizing that "higher taxation of luxury articles will, by itself, not produce sufficient revenue. For any substantial receipts from commodity taxation and appreciable restraint on consumption in the economy as a whole, it will be necessary to extend excise and sales taxation to the consumption of lower-income groups. . . . An expansion of the taxation of necessaries appears unavoidable, if significant results by way of diversion of resources for financing public investment, are to be secured."[13]

The Tyagi Committee (1958-59) considered the raising of revenues as "the primary purpose" of tax policy even from the long-term point of view. According to them, "While taxation provides the resources for the plans, taxes themselves are, in turn, influenced by the results flowing from the Plans. The improvements in the economy of the country will be reflected increasingly in the coming years, in the total amount of income and the value of assets that would come up for taxation. There will also be a substantial increase in the total number

---

10 Nicholas Kaldor, *Indian Tax Reform*, op. cit., p. 1.

11 Government of India, *Report of the Taxation Enquiry Commission, 1953-54*, New Delhi, Ministry of Finance, Vol. I, p. 3.

12 Ibid., p. 5.

13 [illegible] p. [illegible]. No wonder that *Pateewallas* and *Chaywallas* (petty vendors) were [illegible] in the State of Jammu & Kashmir against the extension of Sales Tax [illegible] 1972).

of tax payers. . . . The administration of taxes has to be so geared that the State is able to collect taxes in full without causing any undue inconvenience to the assessees."[14]

The Bhoothalingam Report (1968) plainly confesses that the tax system as a whole is designed to draw off a portion of the national income for purposes of public consumption and investment. Any worthwhile rationalization or simplification of the tax structure, as the Report suggests, can be achieved only when certain consistent changes in tax policy are permitted on a fairly stable basis. But how shocking is the extent of *ad hocism* in this regard can well be judged from the following observation made in the Bhoothalingam Report: "More often than not new taxes or other types of fiscal changes are introduced to subserve the needs of the moment and are grafted on to the existing body without enough regard for compatibility or consistency. All the time the never ending struggle against legal avoidance and evasion leads to change after change in methods. In the process, some pull in different directions while others even cancel each other out."[15] Besides periodical spring cleaning, the Bhoothalingam Report suggested a reappraisal of the numerous policy objectives embodied in the existing system (since the objectives themselves, and the relative priorities among them, change from time to time, partly because of fulfilment and partly because of insufficient achievement).

The Working Group on Central Direct Taxes Administration (constituted by the Administrative Reforms Commission on 9th August 1967 with Shri Mahavir Tyagi as Chairman—who had earlier headed the Direct Taxes Administration Enquiry Committee 1958-59) made a frank confession that "Except the Estate Duty Act, the other Direct Taxes Acts were introduced more as a means to check income tax evasion than on purely fiscal grounds. The Expenditure Tax Act was also one such measure but it has been repealed in 1965 because of difficulties encountered by the Administration in enforcing the provisions of that Act".[16] Government have yet to realize the futility of retaining

[14] Government of India, *Report of the Direct Taxes Administration Enquiry Committee 1958-59* (Chairman, Shri Mahavir Tyagi, M.P.), Delhi, Manager of Publications, 1960, p. 4.

[15] *Final Report on Rationalisation and Simplification of the Tax Structure* (Shri S. Bhoothalingam, formerly Secretary in the Ministry of Finance), Ministry of Finance, Government of India, New Delhi, 1968, p. 2.

[16] Government of India, *Report of the Working Group on Central Direct Taxes Administration*, Administrative Reforms Commission (January 1969), 1969, p. [illegible]. The main attack is on Wealth Tax (where the average annual yield was about Rs. [illegible] crores only between 1961-62 and 1965-66) and the Gift Tax (where this figure was hardly [illegible] crores). But the yield from Estate duty (even though it had been introduced [illegible] the appearance of the Kaldorian [illegible]) was the poorest (the average annual yield being less than half a crore).

other nuisance taxes where yields are small but the harassment to assessees is colossal and the burden on administration is so heavy that there has been a big hike in income tax arrears ever since the so-called new progressive taxes were introduced during the last two decades.

Unfortunately, the Administrative Reforms Commission (ARC), in their own Report on Central Direct Taxes Administration sidetracked this issue. Instead, they tried to quote scriptures regarding the merits of Direct Taxes as follows: "Besides bringing in a sizable amount of revenue to the Government, they play a vital role in securing the national objective of so distributing the ownership and control of the material resources of the community as best to 'subserve the common good'. The principle of equity conceived in the broadest sense, underlies the Direct Taxes structure".[17] However, the ARC concede that in the process of elaboration of law, things are carried to such a length that quite a large number of assessees who have comparatively smaller incomes are subjected to vexatious procedure without any significant advantage to revenue. The Commission refer to more than 400 amendments introduced in the Income Tax Act of 1961 during a few years. In this regard, the ARC seem to accept the oft-repeated criticism put forward by Shri N. A. Palkhiwala. For example, in a lecture delivered as early as March 27, 1958 in Bombay, he pointed out: "The first fault which many can find with the present tax system is the absolute instability and uncertainty. The instability is nowhere more clearly demonstrated than in the field of income tax law. No other Act in the history of the country has ever suffered more amendments or has been changed so much beyond recognition as this Act".[18] Shri Palkhiwala refers to the carry forward of business losses as a case in point. Prior to 1955 this could be done for six years; the Finance Act of 1955 permitted this indefinitely; but the Finance (No. 2) Act of 1957 introduced a new time limit of eight years. Numerous other instances, like the introduction and the ultimate abolition of the distinction between earned and unearned incomes (as also the introduction and abolition of relief for married persons and for children up to two in number—which relief was well within the orbit of family planning) could be quoted as examples of waywardism in tax policy.

Even in the United States, it has been felt that "while the basic purpose of taxation is to raise revenue to finance expenditures authorised by the Congress . . . an important objective of these policies must be to

[17] Administrative Reforms Commission, *Report on Central Direct Taxes Administration*, Manager of Publications (Government of India), 1969, p. 1.

[18] N. A. Palkhiwala, "The New Pattern of Taxation" in M. R. Pai (ed.), *Taxation in* [illegible]*ary*, Bombay, Forum of Free Enterprise, 1968, pp. [illegible]

minimize fluctuations in the level of total economic activity. Such fluctuations represent significant barriers to the attainment of any long-term growth objectives; recessionary movements interrupt the process of growth by leaving some of our growing resources idle, while inflationary changes in economic activity make continued growth more difficult to maintain."[19] The importance of small and new businesses in preserving and strengthening a competitive market economy has also been well recognized. It has been realised that the more complex the tax code, the greater the burden on small business relative to the position of larger businesses.

Peacock and Shaw have recently built up a thesis that tax exemptions on capital goods in the interest of promoting economic growth do not fulfil the objective in view. They feel that factor prices get distorted by such exemptions coupled with the maintenance of fixed rates of exchange (which overvalue the domestic currency and favour imports of foreign capital) and tax policies which fall heavily on consumer goods, wage rates and cost of living. Thus, according to the authors, there is a tendency to avoid the labour intensive techniques of production and to lean more heavily on capital intensive methods. "It has been argued that there are theoretical grounds for the view that a tax on capital imports is superior to a labour subsidy as a means of encouraging employment, and also that a tax on capital inputs of a particular kind poses fewer administrative problems than labour subsidies."[20] Obviously, the problem of unemployment is so acute that fiscal tools must play an effective role in encouraging small and labour-oriented businesses.

SOCIALIST GOALS AND HUMAN VALUES

While there has been much talk of socialism on public platforms in India, our tax system is still compared, in almost all the learned documents, with the pattern obtaining in capitalist countries. Accordingly, while we, as a nation, have been so much obsessed with the nightmares of tax avoidance and evasion, hardly any serious attention has been given to the problem of promoting the profitability of public projects. The investment in the corporate public enterprises (excluding Departmental Undertakings, like Railways) has increased from a paltry Rs. 29

[19] U.S. Congress, *Federal Tax Policy for Economic Growth and Stability*, *Report of the Joint Committee on the Economic Report to the Congress of the United States*, Washington D.C., Superintendent of Documents (Government Printing Office), 1955, pp. 1-3.

[20] Alan T. Peacock and G. K. Shaw, "Fiscal Measures to Improve Employment in Developing Countries—A Technical Note", *Public Finance (Finances Publiques)*, (International Quarterly Journal), Vol. XXVI, No. 3, 1971, p. 410.

crores in 1951 to over Rs. 5,000 crores over two decades. But this sector is hardly able to make any contribution worth the name to the public exchequer. If it were to yield a 15 per cent net income, the same would match the total collection from the so-called direct taxes in this country. But the tragedy is that the custodians of our tax policy and administration are finding it difficult to believe that, as we move on the higher rungs of the ladder of socialism, income tax and its practically defunct "subsidiaries" (Estate Duty, Wealth Tax, Gift Tax and Capital Gains Tax) would have little significance in the nation's fiscal system. So, why not first liquidate these showpiece subsidiaries, introduce drastic cuts in income tax rates, and bank in a big way on the profits of public enterprises as the mainstay of fiscal administration? If, for any reason, this cannot be done, it would be better to stop paying lip sympathy to socialist objectives.

Holzman's study of Soviet Taxation—which, by no means, can be said to be biased in favour of socialism—concedes that "High marginal costs of taxation are not so serious in the case of turn-over tax, in spite of the more complicated nature of each individual auditing problem, because the number of payers is smaller and accounting procedures are standardized".[21] The finding of the author is that, since Soviets are not dependent on income taxation for revenue, administration need not be very costly, even where the tax is paid on an individual basis.

Another point which deserves serious consideration in the context of the present-day socio-economic structure is the virtual absence or the existence of a hopelessly inadequate and undependable system of social services. As such, one must fall almost totally on one's own resources in times of distress. Added to that is the galloping inflation which has reduced the internal purchasing power of the Indian Rupee to about half during the last decade. Maybe, some big assessees have benefited a lot from this state of affairs. But most of such assessees are sufficiently resourceful to get away from the clutches of tax laws whose adverse impact really falls on the vast majority of less resourceful and less fortunate persons. For example, when a person of the fixed income group builds a (possibly one and only one) house, how much personal sacrifice has he to undergo? The Government, on paper, declare that house-building activity is to be encouraged. But when the house is ready, how much is the burden of various taxes? How much is the delay in the finalisation of that person's assessment for the year in which the house was constructed (and possibly subsequent years also)? How many times has he to run to the Income Tax Office and how many inconvenient

---

[21] Franklyn D. Holzman, *Soviet Taxation—The Fiscal and Monetary Problems of a Planned Economy*, Cambridge (USA), Harvard University Press, 1955, p. 77.

questions has he to answer? No wonder, the assessee might begin to feel that he had committed a great blunder in encouraging house-building activities. If, through bad luck, he falls ill, he finds that there is not even a National Health Service to rely upon. If he loses employment, there is hardly any public support which he may hope to get. And when he dies, far from getting any sympathy from public officials, the bereaved family may have to face the State Duty functionaries for purposes of prob-making. Ift his only is the meaning of socialism, is it worth having (and at such heavy cost)? Socialism or no socialism, the manner in which resources are spent by public authorities cannot be divorced from the manner in which they are raised

Coming to the last-mentioned objective, the 'get-rich-quick' psychology has received such a big boost (in the wake of the Kaldorian bid to reform the Indian Tax system?) that any talk of developing finest human values to their fullest is likely to have little receptivity even in the highest citadels of policy-making and tax administration. Any tax collector can easily turn his back and say: "If a horse tries to be friendly with grass it will have to starve. The public exchequer needs funds and not fine values." The pity, however, is that even this strictly utilitarian approach has had little success. By destroying human values and virtues (or not caring for their growth and regeneration), have we not made the task of tax administration so difficult that it has defied the wisdom of a galaxy of tax reformers who have been commissioned during the last two decades? The disease (black money, tax evasion and all that) appears to be on the increase as we are trying to find a solution through legalistic and materialistic devices.

The Wanchoo Report (December 1971), which is the latest comprehensive document on the subject, has rightly concluded that "Shortcomings in tax administration can frustrate even the best of tax policies".[38] It is a welcome sign that the Committee have expressed serious concern for strengthening the moral fibre of the society. Their suggestion for introducing a system of 'starred assessees' deserves to be elaborated. An assessee who is found to have been honest with reference to three consecutive assessment years may be given one star and allowed 2 per cent rebate in the tax payable. Thereafter, for every two years of honest performance as an assessee, one additional star could be given providing for an additional 2 per cent of deduction in the assessed tax liability, subject to a maximum of five stars and 10 per cent rebate in tax. Besides such deduction, other facilities and courtesies could also be extended to starred assessees. But even this scheme is not likely to work if officials of the Income Tax Department are reluctant to appreciate the

38. *Final Report of Direct Taxes Enquiry Committee*, op. cit., p. 127.

performance of honest assessees or if there is manipulation in awarding stars (whether engineered by more resourceful assessees or by functionaries of the Department). Much will depend on the spirit which permeates at the top level of policy-making and administration.

AN OPERATIONAL OVERVIEW

It would be desirable to raise the minimum exemption limit to Rs. 7,500, for income tax, as suggested in the Bhoothalingam Report. This limit as visualized in the more recent Wanchoo Report (Rs. 5,000) is disappointing. During the era of rock-bottom prices, which obtained prior to the Second World War, the exemption limit stood at Rs. 1,500. It is inconceivable that the same standard of living can be maintained today with Rs. 5,000. In fact, even a sum of Rs. 7,500 would not be quite adequate for the purpose; but it would be a substantial improvement over the prevailing state of affairs. It is further necessary to protect the interests of salary earners (so-called fixed income group) by lowering down rates of taxation, at intermediate levels (along with a drastic reduction in the maximum rate). Such protection is called for not only by way of personal sympathy (in a markedly inflationary situation), but also with a view of securing the undivided attention (freedom from personal worries) of and the development of human values in senior public officials on whom depends so much the level of public and economic administration of the country. The same holds good with regard to those following learned professions insofar as the cultural, literary and academic progress of the society is concerned. Keeping these considerations in view, the rate schedule could be as follows:

Span of Income (Rs.)		*Tax Rate*
0	7,500	Nil
7,501	15,000	10%
15,001	30,000	750 + 20%
30,001	45,000	3,750 + 30%
45,001	60,000	8,250 + 40%
60,001	75,000	14,250 + 50%
Over 75,000		21,750 + 60%

Note—There need not be any surcharge in normal circumstances. But an assessee with income above Rs. 75,000 may be required to deposit (in addition to tax) a sum equivalent to 10 per cent of the tax payable in National Development Fund (repayable after a fixed term of years). This percentage could be increased up to 20 per cent on a progressive scale.

In fine, it must be understood and accepted by the powers-that-be that, if they mean business regarding the cherished goal of socialism for this nation, our fiscal system should be able to bank more on the profits of public undertakings and less on income tax *and its subsidiaries.* Actually, these nuisance subsidiaries should be liquidated at the earliest. It is also of cardinal importance that public sector surpluses are basically the end-result of efficient operation (commercial viability)[23] and not merely a product of managed prices.

---

[23] For an elaboration of this concept, reference may be made to the author's book, *The Theory and Working of State Corporations*, New Delhi, Orient Longman, 1971, Chapter 9 (Commercial Viability).

TAXATION POLICY AND TAX ADMINISTRATION: POINT OF VIEW OF CORPORATE PRIVATE SECTOR

G. L. Bansal

"The very best of all plans of finance", said J. B. Say, a hundred and fifty years ago, "is to spend little and the best of all taxes is that which is least in amount". Taxation then was looked at as an evil. The idea was based on the doctrine that, outside the narrow sphere of its traditional minimum of activities, the State could do no right. A distinction was also sought to be made between 'productive' and 'unproductive' expenditure. Even Adam Smith and Ricardo thought that most of the private expenditure which taxation checked, was 'productive', while all public expenditure which taxes paid for, was 'unproductive'. Auberon Herbert, a philosophic anarchist, thought that taxation was never morally justifiable.

With the passage of time, such ideas had to be discarded. Taxation came to be recognized as a social necessity. The reason was that with the increasing complexity of society, States' sphere of activities enlarged phenomenally. The modern State accepts the inevitability of taxation, so also does the tax payer of today. This transformation in thinking has been brought about by the response of society to the changed concept of Government.

In India, till the early thirties, the tax system was simple and tax rates moderate, as administration was mainly geared to law and order. The Second World War altered the situation considerably. The then Government were in need of more funds for war effort. New forms of taxation were introduced. The Excess Profits Tax (EPT) and the Business Profits Tax (BPT) are some examples. As originally introduced, the EPT was levied @50 per cent, and afterwards it was increased to $66\frac{2}{3}$ per cent, on any excess profits earned by any trade, commerce, etc., over standard profits earned in the previous years. The BPT was like a special income tax levied @$16\frac{2}{3}$ per cent on business profits exceeding Rs. 1 lakh. These taxes reflected the exigencies of the situation.

After Independence, Government was no longer a mere agency for maintaining law and order; it assumed responsibilities towards

forging ahead vigorously on the hitherto unchartered path of development. Taxation, thus, came to be looked upon as a principal instrument for harnessing resources for growth; it was also to subserve the aims of Government's socio-economic philosophy. For example, redistribution of income through taxation became one of the determinants of the economic policy. The successive Five Year Plans have given a decisive reorientation to our taxation policy and tax structure. In short, a whole gamut of new ideas and new forces have surfaced which have in turn influenced fiscal policies. The Corporate Private Sector recognizes and accepts these compulsive factors. At the same time, it believes that a sound tax policy must also aim at enlarging the pool of resources without undermining individual initiative to save and to invest. It is in the light of these axioms that the reactions of the private corporate sector towards tax policies have to be assessed and evaluated.

At present, the direct taxes structure comprises of the following:

(1) income tax

(*a*) personal income tax.

(*b*) Corporate income tax and surtax;

(2) wealth tax;

(3) gift tax; and

(4) estate duty.

Personal Income Tax

Income tax in India has seen many swings during the last 20 years. The marginal rate was brought down from the level of 91.8 per cent to 77 per cent in 1957. While doing so, the Finance Minister, Shri T. T. Krishnamachari, had observed, "I have come to the conclusion that our existing rates of direct tax at top levels deprive the tax structure of all flexibility. It is said that they intend to diminish the incentive for work but I am aware that they encourage large scale evasion." However, the see-saw continued. The tax rate was again raised to 85.1 per cent for the assessment year 1963-64 and brought down to 82.5 per cent in 1964-65 and further to 74.8 per cent in the year 1965-66. Ever since the rates have changed, though only in one direction—upwards. The current marginal rate—the highest ever—is 97.75 per cent applicable to incomes over Rs. 2 lakhs. A peak of this kind has not been reached anywhere in the world so far. Evidently, the present rates of tax pitched so high and applicable to exaggerated and artificially defined

taxable income, hardly leaves much incentive for work, investment or savings.

One of the arguments advanced in favour of higher personal taxation is that it is an antidote to inflation and conspicuous consumption. The corporate sector believes that this logic is somewhat dubious because mere transfer of income from an individual to Government does not by itself become anti-inflationary, unless the money goes into investment rather than in unproductive expenditure and particularly if Government's propensity to save is less than that of an individual as is the case in India. For example, in the past 20 years, the ratio of tax revenue to national income increased from 6.6 per cent to 15 per cent. This should have enabled Government to save, if non-plan expenditure had increased at the same rate as the general economy, at least 8.4 per cent of the national income. Current Government saving, however, is only about 1.5 per cent as against 1 per cent in 1950-51. No doubt, a part of the non-plan expenditure was on defence which was inevitable. But even if the expenditure on defence, which came to 3.6 per cent of national income in 1970-71, is excluded, it would seem that a potential savings resource equivalent to 4.3 per cent of national income has been lost to the country. If these resources had been left in the hands of individuals/corporations, a substantial part of it would have been saved for industrial development.

The fact that high incidence of income tax can be counter productive was first acknowledged by Prof. Kaldor in 1956 and recently by the Wanchoo Committee. The Committee has recommended the reduction of the marginal tax rate from 97.75 per cent to 75 per cent because, in the opinion of the Committee, steep taxation is the first and foremost reason for making tax evasion so profitable and attractive. Besides, the country has to leave some tax potential in reserve for an emergency. The present high level of taxation leaves little scope for manoeuvrability for raising additional resources in times of emergency. The Committee has also stressed that to create a worthwhile impact, the reduction in the rates of taxation should be substantial and at one stroke. The Committee is confident that better compliance of tax laws that would follow such a reduction and the stimulus that the economy would receive on account of increased savings and investments will more than offset any immediate revenue loss.

Corporate Income Tax and Surtax

Corporate taxation has assumed increasing importance in recent years. It yields large revenue without much administrative complexity

or expense. This is so because the corporations form the organized sector of the economy and as such are amenable to greater discipline. In India, yields from corporation tax have been increasing year after year. They went up from Rs. 111 crores in 1960-61 to Rs. 220.6 crores in 1962-63, Rs. 313.64 crores in 1964-65, Rs. 442 crores in 1971-72 and are estimated at Rs. 480 crores in 1972-73. It may be seen that the revenue from corporation taxes has gone up by more than four times within a period of 13 years. About 43 per cent of the Central Government's direct tax revenue comes from corporation tax. At present, companies are taxed @ 55 per cent. A surcharge of 5 per cent was added as a sequel to recent Indo-Pak conflict and the burden of Bangla Desh Refugees. In the case of private limited companies, the rate including surcharge adds up to 68.25 per cent. In addition, the corporations have to pay a surtax on chargeable profits exceeding 10 per cent but not 15 per cent @ 25 per cent and at 30 per cent on the excess thereof. Taken together, the total incidence of corporate taxation may exceed 70 per cent in the case of a public company and 75 per cent in the case of private limited companies.

A look into the taxation structure of other countries reveals that our corporate sector has to bear a much heavier burden. For instance, in Belgium, Brazil, Norway, Philippines and Thailand, the corporate taxation is as low as 30 per cent or even less. In Greece, Italy, Japan, Malaysia, Spain, and Sweden, the tax rates range between 30 per cent to 40 per cent. The rates in Australia, Canada, Ceylon, Denmark, Finland, France, U.K. and U.S.A., are between 40 to 50 per cent.

High tax rates are only one side of the picture. The rates of corporation tax would, perhaps, still have been tolerable, had the tax incentives—rewarding increased production/exports, providing more employment or for using capital more effectively—been available. Far from giving new incentives, the tendency has been to withdraw, or whittle down even the existing ones. Relief to priority industries has been withdrawn, tax-holiday benefit has been curtailed and development rebate is to be stopped. In many other countries, tax incentives are being allowed more liberally and in a variety of forms. It is unfortunate that in India the authorities seem to be generally labouring under the notion that each and every tax incentive is used as a means of tax avoidance. In any corporate taxation policy, savings formation must acquire paramount importance. Under the present tax system, however, the corporate sector finds it difficult to save more than 12 per cent of its gross profits whereas they were able to save about 25 per cent of gross profits in 1960-61 when the corporate tax rate was 45 per cent.

In a developing economy, a sound corporate sector can provide the basic thrust for capital formation and accelerated growth. It was this consideration that prompted Prof. Kaldor to recommend a rate of 45 per cent. Shri S. Bhoothalingam also endorsed this rate, though he, at the same time, wanted a capital levy at 1 per cent. Likewise, a study conducted by the National Council of Applied Economic Research came to the following conclusion: "The basic tax of 55 per cent on companies should be reduced in order to enable them to retain larger profit and thereby improve their prospect of growth. . . . A reduction in these taxes on companies may not reduce the total revenue to the Government; lowering of the tax burden on companies should help promote wider industrialization and the base for taxation will also be widened which can be expected to compensate any loss of revenue due to the lowering of the tax rates".

It is in the light of the above mentioned factors that the corporate sector's disappointment at the Wanchoo Committee's failure to appreciate the need to bring down corporation tax and its recommendation for the imposition of a capital levy in lieu of surtax, has to be seen. There is, in fact, a case for the abolition of surtax which is a tax on efficiency. The capital levy would mean an additional tax of about 18 per cent on profits-after-tax. It would be a penalty on investment as it has no relevance to the profits of companies. Even losing companies will have to pay this levy. In the present context, the increase in the incidence of tax would wipe out the profits of marginal companies and seriously affect other units through depletion of plough back and fresh investment.

The corporate assessees also have to face disallowance of several *bona fide* expenses incurred for the business which virtually increase the levy on the true commercial income. Entertainment expenses are not permitted deductions. Travelling expenses and expenses on the maintenance of guest houses are not allowable deductions beyond specified limits—limits much below reasonable standards. What is more is that a ceiling has been prescribed on the deductible expenditure on salaries and perquisites of managerial personnel.

Wealth Tax, Gift-Tax and Estate Duty

Annual tax on wealth, tax on gifts and estate duty on the passing of property on death were introduced as part of our integrated tax structure. The level of these taxes has gone up substantially during the last few years. The maximum marginal rate of wealth tax was 1.5 per cent, applicable to net wealth over Rs. 22 lakhs when it was introduced for the first time in 1957. It has gradually been stepped up to

15 per cent on wealth exceeding Rs. 15 lakhs. The maximum rate in respect of gift tax has been raised from 40 per cent to 75 per cent and that of estate duty from 40 per cent to 85 per cent. The result is that the combined incidence of income tax and wealth tax alone may, in certain cases, not only wipe off the entire income but even cut into the capital.

The Wanchoo Committee has recommended an integrated scheme of estate duty and gift tax. According to the committee, separate gift and estate taxes result in two sets of exemptions and two different tax bases which are exploited by some wealthy tax-payers to achieve what was described as 'generation skipping'. According to what is recommended, the estate duty will be calculated on the principal value of the estate passing on death aggregated with the taxable gifts made during life time and then giving credit for the gift tax paid during life time. Apparently, it looks equitable but whether it is also practicable is a different matter. In this connection, it will be worthwhile to recall that Gift-tax Act was amended in 1964 to aggregate gifts to the same donee during a period of five years for charging gift tax at enhanced rates. But the provision had to be deleted only after two years because it involved wastage of time and trouble on the part of both the administration and the assessees.

TAX ADMINISTRATION

In our country, tax laws have been enacted, amended and re-enacted, supposedly, to a high degree of sophistication and perfection without, perhaps, equal attention to efficient and dependable administration. It goes without saying that tax laws can be successfully implemented only through an efficient, imaginative and sympathetic administrative machinery. And collection of taxes can by no means be the sole criteria of efficiency. It also implies that taxes should be collected with the minimum of inconvenience to the public. Convenience is indeed a basic maxim of tax collection.

Tax administration derives its authority from tax legislation. If the legislation happens to be a half-baked pudding, the administration has to serve it, irrespective of its palatability or otherwise. However, what is reasonably expected of the tax administration is to administer the laws with a smile rather than with a scorn. It is common experience that much can be done in this regard. The authority should protect the tax-payer as much as it protects the revenue. It is the just duty of every assessing authority to bring to the notice of the assessee any allowances, rebate or relief that may be legitimately due to him. If

this is done, relations between taxpayers and taxgatherers can be immensely improved.

It has been rightly said that the tax-gatherer should approach the assessees as a "bee gathering honey from flowers". The bee collects honey without in the least hurting or impairing the flower. While an officer of the tax department has necessarily to be firm in the discharge of his duties and functions without fear or favour, he must be sympathetic to the taxpayers, and show due consideration for their doubts and difficulties. He must accord the same treatment to the assessees as he would like to receive, placed in the same position.

The personnel of the tax department must be enthused with a spirit of public service, which should be specifically impressed upon them at the time of their entering the service and also in the course of their training. The various outward communications of the department should be couched in as polite a language as possible and, in the course of personal interviews also, the officers should always be courteous and helpful. As far back as 1959, the Direct Taxes Administrative Enquiry Committee had recommended the following: "We consider that unless the assessees' faith in the efficiency, impartiality and sense of justice of the administration is restored, no amount of legislation by itself would improve the present state of affairs. The Department should, at all times, display an intelligent and sympathetic concern with the problems of the assessees. This requires that the assessees' understanding of particular tax measures should be improved, the inconvenience caused to them minimized and their complaints enquired into more promptly and sympathetically than at present. While the tax payers have their responsibilities in this regard, the manner in which they are discharged depends, to a great extent, on the treatment which assessees receive at the hands of the authorities".

It is rather odd that the department which requires the assessees to keep accounts correctly with full details and up-to-date, should be the worst offender in regard to entering tax payments. Payment of taxes are not recorded then and there when the duplicate portions of the challan are received from the Reserve Bank or the treasury. Also, penalties are levied without fully verifying the position, notices of prosecutions given and certificates issued to tax recovery officers. There is no justification whatsoever for subjecting assessees to such avoidable inconvenience and harassment.

Re-assessments are intended either to correct a mistake of fact or law, committed in the original assessment, or to give effect to the

direction of appellate authority in appeal against the original assessment, or to assess a particular income which is suspected to have escaped assessment. Experience has, however, shown that the whole procedure is once again set into motion and the process of first assessment is entirely torn to pieces and substituted by a totally new frame materially different in its structure and composition from the original one. Such a process of re-assessment, though legally tenable, is generally cumbersome and onerous. Thought should, therefore, be given to resort to re-assessments only where absolutely necessary.

Increasing complexities of tax laws and their inevitability in any modern society, only underline the importance of fostering right outlook towards taxes, and of educating the public as to their rights and liabilities in relation to the various tax laws and procedures. It is true that, of late, the Department has been moving in this direction. Printed tax literature, such as lay-man's guide, direct taxes bulletins, etc., are brought out, though often so late as to be of very limited relevance. The efforts made by the Department are no doubt useful and commendable but these do not seem to be quite adequate. More tax literature, in the form of pamphlets, booklets, etc., dealing with the various branches of taxation needs be published. It is also necessary that explanatory notes, pamphlets and booklets be written in as simple and non-technical and easily intelligible language as possible and illustrated by practical examples. It would be desirable if the Central Board of Direct Taxes brings out a tax journal containing articles dealing with various problems affecting the assessees, important judicial decisions, notifications and circulars, changes in the Acts, etc. Equally important is to provide latest statistics. In this behalf, the existing backlog in the All India Revenue Statistics, brought out by the Directorate of Inspection (RS & P) should be reduced.

The public audit of income tax assessments was instituted to check the arithmetical accuracy of the computation of tax in accordance with law. But the body now combines in itself the powers of a super appellate, administrative and judicial authority, sitting in judgment over not only the assessments made by the Income Tax Officers or appeals decided by appellate authorities but also executive instructions issued by the Commissioners and the Central Board of Direct Taxes. As a result, there is a reluctance to shoulder responsibility and use discretion. The usual tendency is to so construe the statute and draw such inferences from facts as are adverse to the assessee and, thus, drive him to the painful process of seeking justice through appeals. This tendency seems to have become a part of the mental attitude of the assessing officers and is noticed even in respect of small assessments and petty

items of deduction. It would, therefore, be desirable if the scope of audit authorities is strictly defined and the revenue officials are encouraged to exercise their best judgment.

Assessees often get perplexed by the complexities and uncertainties of the tax laws. Even experts find it difficult to understand and interpret some provisions which continue to be vague and obscure. Uncertainty regarding the way in which the department may interpret the law affects business decisions. The assessee often wants to know the implications of the provisions before taking a decision. For after a decision is taken, it might be too late to go back on the projects or ventures already initiated. There is, however, no system, at present, by which a tax-payer can get an advance ruling from the Central Board of Direct Taxes on the tax consequences of proposed transactions. Other countries do provide such facilities. In the United States of America, for example, the tax-payers can request 'letter rulings' from the National Office regarding their status for Federal tax purposes and the tax effect of their transactions. In Sweden too there is a regularly constituted National Tax Board comprising of Government officials and the business executives who are authorized in their discretion to give advance ruling to tax-payers. Such rulings are not binding on the tax payer, but they are binding on the Government, if and to the extent the tax-payer so requests. It is advisable that some similar system is created in India also. Indeed, an independent body on Swedish pattern would be most useful. The Wanchoo committee too has appreciated the utility of such rulings.

CONCLUSION

As has been aptly stated: "The story of tax policy in India in the last decade has been both depressing and encouraging. It has been encouraging because a young under-developed democracy is grappling with formidable, varied and complex problems, but depressing because the policy has been faltering, confused, inconsistent and, latterly, unreal".

What is important in the context of our developing economy is that a degree of stability should be imparted to the taxes that are levied and the tax laws rather than *ad hoc* decisions that have characterised our policies all these years. This is of vital importance and, in fact, possible because of planning for five-year periods that has been pursued by our country since Independence. The targets of financial resources for the various sectors of the economy are laid down. There should, therefore, be no unsurmountable difficulty in budgeting tax resources

for at least a period of five years. If, however, there are emergencies of the nature we have had to face last year, separate budgetary provisions can be made to meet such emergencies. Certainty is as vital an element in the matter of taxes and tax laws as their implementation through means which are rational, easily understandable, considerate and humane. The tax-payer should be treated as one who contributes towards the growth of the economy and maintenance of a stable administration. As such, the entire tax administration should be infused with a sense of courtesy and understanding rather than pride and prejudice.

A GENERAL VIEW OF STATE TAXATION AND A PLEA FOR A MORE FRUITFUL APPROACH

Mani Narayanswami

TAXATION is now so inextricably woven into the economic fabric of a country's development that there is bound to be a continuing and widespread public debate both about the general policies determining taxation and on the individual taxes themselves. This debate is perhaps more vociferous in the case of developing countries, like ours, where, for good reasons, the incentive or disincentive effects of taxation tend to be more pronounced. There have been expert enquiries from time to time, the most recent of them having been made by the Taxation Enquiry Commission 1953-54. In addition, individual sectors have received attention of several committees. The overall effect of all this discussion and enquiry appears to be a general state of dissatisfaction with the structure of taxation in the country from the point of view of Government and tax-payer alike. Just now, we are in the midst of discussion about the Wanchoo Committee Report. Another exploration is taking place of the tax situation in the agricultural sector, by the K. N. Raj Committee. Views on taxation range from specific assertions that the rural sector is under-taxed to the general statement that taxation of personal incomes, especially in the higher brackets is at expropriatory rates.

It is generally conceded that the major thrust of personal and commodity taxation comes from the Centre in the form of income tax, and customs and excise duties. The States have little or no powers of direct taxation, except on agricultural income, and their taxing power under commodity levies is also subject to severe limitations, both in regard to scope and yield. The 'staple' taxes, of the Centre, undoubtedly bring in sizable amounts to the Exchequer, accomplished largely by casting the net wider and deeper, year after year, or by introducing seemingly minor changes which have a sizable revenue impact. Denied this attractive opportunity, States have to content themselves with more or less 'scratching at the surface', and given the political implications arising [illegible] to the persons who are taxed, the limitations on the [illegible] Governments need no elaboration.

From the stand-point of the tax-payer, there is a feeling that direct taxes are pitched higher than they ought to be, and that indirect taxes cover even the so-called daily necessities and are regressive in their effect, thus working against the general principle of introducing a progressive and balanced income structure in the country. As a developing country, with a Constitutional framework, a democratic way of life, and a very large population, we find ourselves in the extremely difficult position of being comparable to virtually no other country in the world for many purposes, including the structure of taxation, and therefore, being unable to draw many valid lessons from their experience.

Against this background, there are several issues which seem to need further research and investigation. As an administrator, one is only too conscious that theoretical aspects have to be blended with practical administrative realities, and modes of taxation evolved which, while subserving major policy objectives, will, at the same time, result in easy and speedy collection, with minimum harassment to the tax-payer. My objective is, therefore, a limited one, to view the whole range of State taxation and some of the problems associated with it. Inevitably, in a short article, only summary observations can be presented, and views and perspectives only barely sketched. Commonly asked are questions, such as: how well-founded are State tax laws and how good is their yield? What are the norms by which the equity or otherwise of taxation from one State to another can properly be compared? What are likely to be the future trends in State taxation? What are the possible structural improvements?

One may begin by referring to the common, and in this case correct, view of the relatively low elasticity of State taxes as a whole. In Table 1, on page 374 are given figures for the last ten years of the growth of revenue from the major State taxes in the State of Mysore.

While the increase is impressive in the case of Sales Tax, and outstandingly so in the case of Excise in the last few years (following the relaxation of Prohibition in most parts of the State in 1967-68), it is not difficult to see that there is a generally modest or low curve of growth in the other taxes. Try as he might, a State Finance Minister finds it difficult to move out of numerous constraints, not the least of which is an alert and jealous political leadership that is ever watchful for making unfavourable comparisons with neighbouring States, often overlooking the legitimate differences in the resource base between the States, or the need to 'catch up' and bring about uniformity or near-uniformity in tax burden. It is, in fact, difficult to detect any coherent

A GENERAL VIEW OF STATE TAXATION AND A PLEA FOR A MORE FRUITFUL APPROACH

Mani Narayanswami

TAXATION is now so inextricably woven into the economic fabric of a country's development that there is bound to be a continuing and widespread public debate both about the general policies determining taxation and on the individual taxes themselves. This debate is perhaps more vociferous in the case of developing countries, like ours, where, for good reasons, the incentive or disincentive effects of taxation tend to be more pronounced. There have been expert enquiries from time to time, the most recent of them having been made by the Taxation Enquiry Commission 1953-54. In addition, individual sectors have received attention of several committees. The overall effect of all this discussion and enquiry appears to be a general state of dissatisfaction with the structure of taxation in the country from the point of view of Government and tax-payer alike. Just now, we are in the midst of discussion about the Wanchoo Committee Report. Another exploration is taking place of the tax situation in the agricultural sector, by the K. N. Raj Committee. Views on taxation range from specific assertions that the rural sector is under-taxed to the general statement that taxation of personal incomes, especially in the higher brackets is at expropriatory rates.

It is generally conceded that the major thrust of personal and commodity taxation comes from the Centre in the form of income tax, and customs and excise duties. The States have little or no powers of direct taxation, except on agricultural income, and their taxing power under commodity levies is also subject to severe limitations, both in regard to scope and yield. The 'staple' taxes, of the Centre, undoubtedly bring in sizable amounts to the Exchequer, accomplished largely by casting the net wider and deeper, year after year, or by introducing seemingly minor changes which have a sizable revenue impact. Denied this attractive opportunity, States have to content themselves with more or less 'scratching at the surface', and given the political implications arising from [illegible] to the persons who are taxed, the limitations on [illegible]ents need no elaboration.

From the stand-point of the tax-payer, there is a feeling that direct taxes are pitched higher than they ought to be, and that indirect taxes cover even the so-called daily necessities and are regressive in their effect, thus working against the general principle of introducing a progressive and balanced income structure in the country. As a developing country, with a Constitutional framework, a democratic way of life, and a very large population, we find ourselves in the extremely difficult position of being comparable to virtually no other country in the world for many purposes, including the structure of taxation, and therefore, being unable to draw many valid lessons from their experience.

Against this background, there are several issues which seem to need further research and investigation. As an administrator, one is only too conscious that theoretical aspects have to be blended with practical administrative realities, and modes of taxation evolved which, while subserving major policy objectives, will, at the same time, result in easy and speedy collection, with minimum harassment to the tax-payer. My objective is, therefore, a limited one, to view the whole range of State taxation and some of the problems associated with it. Inevitably, in a short article, only summary observations can be presented, and views and perspectives only barely sketched. Commonly asked are questions, such as: how well-founded are State tax laws and how good is their yield? What are the norms by which the equity or otherwise of taxation from one State to another can properly be compared? What are likely to be the future trends in State taxation? What are the possible structural improvements?

One may begin by referring to the common, and in this case correct, view of the relatively low elasticity of State taxes as a whole. In Table 1, on page 374 are given figures for the last ten years of the growth of revenue from the major State taxes in the State of Mysore.

While the increase is impressive in the case of Sales Tax, and outstandingly so in the case of Excise in the last few years (following the relaxation of Prohibition in most parts of the State in 1967-68), it is not difficult to see that there is a generally modest or low curve of growth in the other taxes. Try as he might, a State Finance Minister finds it difficult to move out of numerous constraints, not the least of which is an alert and jealous political leadership that is ever watchful for making unfavourable comparisons with neighbouring States, often overlooking the legitimate differences in the resource base between the States, or the need to 'catch up' and bring about uniformity or near-uniformity in tax burden. It is, in fact, difficult to detect any coherent

Table 1

Growth of Revenue on Mysore State from Major State Taxes[1]

(*Rs. in crores*)

	1961-62	62-63	63-64	64-65	65-66	66-67	67-68	68-69	69-70	70-71
Taxes on Agricultural Income	0.59	0.76	0.37	1.01	1.58	1.51	1.65	1.65	1.57	1.55
Land Revenue	4.51	5.20	8.24	7.11	5.57	3.87	7.41	7.09	5.14	4.72
State Excise	2.88	2.93	3.52	3.73	4.04	4.41	7.11	13.11	17.97	19.73
Taxes on Vehicles	4.59	5.56	7.20	5.43	5.70	6.10	6.89	7.70	8.29	9.46
Sales Tax	9.45	11.22	13.52	16.48	19.54	26.43	28.25	34.20	40.51	48.87
Entertainment and Betting Tax	1.01	1.24	1.46	1.61	1.88	2.24	2.61	3.06	3.96	4.30
Stamps	2.09	2.57	2.97	3.16	3.88	4.25	4.82	4.90	5.31	5.93
Registration Fees	0.34	0.37	0.47	0.49	0.59	0.64	0.72	0.75	0.80	0.88

1 *Statistics of Mysore State Finances—1972—A Compendium of Statistics of Mysore State Finances, 1961-62 to 1970-71*, Bangalore, Government of Mysore (Finance Department), p. 6 (4—Revenue by Major Heads of Account).

or long-term view running through the picture of State taxation, and inevitably, recourse has to be had year after year to efforts for obtaining larger sums, basically from the same taxes, but introducing one variation or another. Already, most of the State Governments have run out of ideas for new types of taxes, and are compelled to rely solely on better yields from existing taxes, by increasing the rates or by bringing into the tax-net new types of needs and services as the development of the country advances or merely by improving the collections and blocking channels of evasion. (A really fortunate State may locate a 'gold-mine' tax, such as oil royalties, but these are exceptions.) In this sense, it does seem difficult for any Government to draw up what might be called a long-term policy of taxation. Having said this, however, we must ask whether our present methods are not too short-term, limited as they are to the immediate objective of securing some larger yield, without a deeper analysis of the effects of the tax on the economic structure as a whole. As has been observed by the Mysore Taxation and Resources Enquiry Committee, headed by Shri S. Bhoothalingam, in their Report,* "the tax system should always be regarded as a whole and, therefore, changes in any particular tax should be made with full regard to its appropriate place in the system".

Levels of taxation in different States can be compared in a variety of ways, but a valid comparison should introduce some weightage for effects which are relevant to the question of taxable capacity, so that the extent to which such taxable capacity is being exploited can be objectively assessed. Table 2, on page 376, although a little out-dated, gives an illustration of this kind of a comparison in the case of Sales Tax. The per capita sales tax in 14 principal States, is shown by way of comparison of the actual figure with an 'expected' figure. The 'expected' figures are derived by the application of functional relationships observed between per capita sales tax on the one hand and three other factors, namely, per capita income, proportion of urban population to total population, and per capita value added by manufacture.

Even a comparison on these lines does not quite provide the answer to many questions which spring to one's mind. Why should Kerala show a figure of exploitation per capita which is far above that of the neighbouring or other States? Does per capita sales tax really mean a distribution of the incidence amongst the population as a whole or is it only a reflection of concentrated yield from specific large trade centres? What is the impact of the rural urban relationship on both

* *Second Report of the Mysore Taxation and Resources Enquiry Committee* (Chairman: Shri S. Bhoothalingam), Bangalore, Government of Mysore (Finance Department), [illegible].

Table 2

Per capita Sales Tax in different States—Actual and Expected (1967-68)[5]

States	*Actual*	*Expected*
	Rs.	Rs.
Andhra Pradesh	8.50	8.82
Assam	5.55	6.05
Bihar	6.38	5.38
Gujarat	15.90	15.30
Kerala	13.20	8.27
Madhya Pradesh	7.41	7.27
Madras	14.99	14.45
Maharashtra	20.54	19.46
Mysore	10.28	11.09
Orissa	6.18	4.57
Punjab (including Haryana)	12.05	12.46
Rajasthan	8.12	8.34
Uttar Pradesh	4.45	6.73
West Bengal	13.98	15.97

yield and incidence of Sales Tax? (Kerala is characterized by a large number of rural communities, but perhaps they are so organically linked to one another that some urban characteristics appear, at least in relation to taxation.) Similar analysis could probably be made for several other State taxes but we would still be left with a number of conceptual problems in making valid comparative assessments of performance of the different States.

No wonder then that States find it extremely difficult to arrive at norms by which they can draw up sensible taxation policies.

The correlation between tax policy and its direct impact on economic development may not have been very clearly established even in the sphere of Central taxation, although income tax, in particular, does make several provisions with the objective of encouraging the

5 *Mysore Taxation and Resources Enquiry Committee*, Bangalore, (Department of Finance), 1969, p. 14.

inflow of fresh capital into industry or other productive activity and provides for allowances for development rebates, depreciation, etc., which, on the whole, have had a beneficial effect on industrial development. Still, it may not be incorrect to say that there is a fairly long-term approach implied in the scheme of income tax and similarly also in the scheme of customs and excise. A different variety of 'long-term' planning comes into play when it has also happened that absence of a tax on a particular activity has made a 'tax shelter' and has resulted in measurable economic benefit. This has certainly happened in the case of agriculture, although a new approach may now be dictated by policy considerations.

The point is that the schemes of Central taxation do seem to have a specific and marked effect on economic activity. Whether or not, and if so, to what extent such relationships prevail in the schemes of State taxation, is an area that may deserve more adequate study, because one finds it difficult to detect any attempt at such a fundamental approach in the States' taxation structure. It almost appears that since the bulk of the tax yield will, in a sense, be pre-empted by the Centre, the States' concern is with the residual possibilities available to them. Correspondingly, their ability to direct and shape their taxes to long-term objectives seems limited and their 'style' on the whole 'cramped'. The main thrust of several enquiries and committees that have gone into State taxes in recent years, has not been in the direction of fundamental reform but on the one hand to suggest rationalization and simplification in their tax structure (particularly Sales Tax), with a few increases in rates, and on the other, to propose that some ways should be found to collect more effectively one or other specific tax or other dues more in the nature of specific charges on services provided in the rural areas, such as supply of water for irrigation. They have also dealt with the generally anaemic implementation of measures, such as betterment levy on lands whose value has usually been substantially enhanced through coverage by an irrigation project. The last two, in particular, are highly political issues, and State Governments have naturally been cautious in their approach to them. In the case of land revenue, again, one has to assume that it is not now a tax capable of much shaping or improvement in yield in the present context.

Virtually, therefore, States are left with perhaps three or four major tax items where they can concentrate their energies, either in terms of improving the legislative base, or the administrative machinery for collection. One can take, by way of example, the State sales tax structure. By far, sales tax constitutes the single largest tax [illegible] in practically all States. In Mysore, it accounts for Rs. 60 crores out of

the State's revenue receipt of Rs. 156 crores from taxes, making 38 per cent. It is, therefore, argued some times that even minor modifications and improvements in the sales tax structure have very good revenue potential, and this has often been proved correct. The most recent and widespread enquiry which we had into the sales tax structure was that conducted by the Bhoothalingam Committee, to which reference has been made earlier. This Committee proposed and Government largely accepted, a number of changes aimed at moving as many items as possible from the multi-point to the single-point tax structure, rationalizing the composition provisions and the exemption limits, and generally removing some of the 'clutter' that fill a State's sales tax laws. (Some further measures of improvement and rationalization were introduced in the June 1972 Budget of the Government of Mysore). On both these occasions, opportunity was taken to revise the rates of taxation and to refine them to accord with the principle of higher rates on the higher-priced and luxury articles. Similar improvements have been proposed in respect of motor vehicles taxation, and a few of the proposals have been accepted and legislative action taken. In the case of excise, which, in a sense, is a comparatively new source of revenue as it had dried up for several years under the impact of prohibition, States would presumably like to watch their experience for a few years before coming to conclusions about rates or structural improvements.

These are illustrative of the genuine efforts of States to mobilize resources as efficiently as possible, with parallel improvements in the law and in enforcement wherever required. However, the demands on the resources of a State Government today are so many, and the avenues for finding funds so limited, that the usual temptation is to devise a tax measure to meet a specific resource problem. There is an equally strong temptation to time the tax measure in such a way as to derive maximum benefit by not losing the devolutions or grants under a Finance Commission award, but leaving the State Government free to secure substantial additional revenue in the middle of the five year period to meet fresh obligations that might arise and not all of which are 'developmental' in character. Where a State Government attempts to rationalize the structure in fundamental terms, or to remove 'dead-wood', it may find itself in great difficulty. As an instance, one might cite the example of 'Octroi', a tax now widely regarded as outmoded and vexatious. Successive Governments in the last few years in Mysore State have expressed themselves, not only willing but eager to abolish this tax, but in view of the substantial yield of over Rs. 7 crores per annum derived from it by the Local Bodies, the question has always been of devising an alternative measure to meet the loss on account of its abolition. Perhaps, the rational way of looking at such a problem

would be to consider seriously the Bhoothalingam Committee's recommendation[4] that "the resource problem created by the abolition of octroi—an act which is necessary for the economic health and progress of the State— should be dealt with exactly in the same way as a similar resource problem which may arise from any other act or policy decision". In other words, if a tax deserves to be removed from the structure, it must be removed and the problem would then become simply one of finding the best way of raising additional resources for the State as a whole.

Again, it has been urged by the Committee that a tax system should always be regarded as a whole and earmarking of particular taxes for particular purposes should also be avoided. Yet, in the context of the difficult resources position of most of the States, this is often a counsel of perfection.

One has to refer at this stage to the concept which has been built into the structure of development financing carried out through the mechanism of the Annual and Five Year Plans. As a part of the resources to be raised by the State Government, a target is set for what is known as 'additional resource mobilization'. This has to be achieved by introduction of new legislative measures, such as changes in rates, addition of new items under the tax-net and changes in classification, etc., introduced under the Act or Rules. The normal increments of revenue arising from the level of taxation as it prevailed at the beginning of the Plan are taken into account on the non-plan side, and the 'additional resources' are meant for development. Sound as the basic principle is, in practice the working of the additional resource mobilization concept needs to be carefully analyzed. If it is accepted that the tax structure should be characterized by some stability in the interests of both tax-payer and Government and a coherence with other taxes, implying a proper 'fitting' into the structure, the concept as now implemented may go against this principle. A State may for ever be tinkering with tax rates and coverage, with no effort at reforms that are well-founded and directed towards achieving a certain long-term approach in the tax structure. Indeed, it may have to be considered seriously whether the shroud of secrecy in which the revision of taxes or tax-rates is surrounded year after year at the time of the annual budget, is really necessary or desirable. Should 'Budget Day' be so sacrosanct and would it not be desirable to consider the setting of a tax policy for five years, if necessary with in-built provisions for increase of rates or coverage based upon reasonable projects of revenue and expenditure, and to let the

---

4 *Second Report of the Mysore Taxation and Resources Enquiry Committee*, op. cit., p. 197, para 16.36.

new taxes unfold year after year with advance notice, as it were, to the tax-payers? This will surely require much 'homework', preference being given to discussions with the tax-payers' representatives *in advance* of the measures, rather than *after* their introduction—(with considerable acrimony and misunderstanding) as now seems to happen. The reform will in no way militate against the plan concept of devising measures for additional resource mobilization that would steadily yield increasing sums during the Plan period to finance developmental programmes. The benefits to the economy as a whole from such a 'perspective plan' for taxation may far outweigh the effects of any possible (and relatively trivial) malpractices. More important, such a reform may introduce a wholly desirabe planned approach to investment, income and savings in the thousands of decisions made in homes, farms and enterprises all over the country. This is not as novel or irresponsible a suggestion as might at first appear. In April 1971, the Chancellor of the Exchequer in the U.K. presented to Parliament a paper[8] in which he outlined, with explanatory notes, the form of the proposed new personal tax system and how it will operate. The important point to note is that the new system (with due legislative backing) was to come into operation on 6th April 1973, *i.e.*, two years later. Similarly, the Chancellor announced, in April, 1971, the introduction of the Value Added Tax,[9] to replace existing commodity taxation (SET and Purchase Tax) from April 1, 1973.

The case then is really for a set of taxes, simple and fairly well defined, valid for a reasonably long period of time, with in-built elasticity as to rates and coverage. The argument that a relatively moderate rate of taxation, applied to increasing units of the commodity, item or income that is being taxed, and with built-in incentives to pay rather than to evade, will likely yield much more than a scheme which shows high rates on paper but is matched by an equally high degree of evasion, is a hard argument to beat. The case is also for a greater measure of discussion and exchange of ideas between the different taxing authorities, whether at the Centre or in the States, and a more open and fruitful relationship with the tax-payer.

8 "[illegible] of Personal Direct Taxation" (Paper presented to Parliament by the Chancellor of the Exchequer by Command of Her Majesty on April, 1971), London, [illegible]

9 "Value Added Tax" (presented to Parliament by the Chancellor of the Exchequer by Command of Her Majesty on March, 1972) London, HMSO, Cmnd. [illegible]

SOCIAL OBJECTIVES AND TAX POLICY IN INDIA

M. J. K. Thavaraj

ECONOMIC development and social change involve quantitative and qualitative changes in the scale and pattern of the infrastructures created as well as the operation of directly productive activities along with radical reorganization of the attitudinal, organizational and institutional patterns prevailing in the developing countries. This is particularly true of ex-colonial countries like India characterised by feudal and semi-feudal relations on land, outmoded systems of social organization, lopsided and enclave type of industrial development, dominance of foreign capital in the leading sectors of the economy, concentration in the ownerships of commercial and industrial property, structural and regional imbalances, social and economic inequalities and so on. Scrapping of the outmoded institutions, organizations and practices, modification of the attitudes and patterns of behaviour, creation of new institutions, relationships and organizations are, therefore, regarded as pre-requisites for rapid economic development and social justice.

In general, the constitutional and legal framework relating to property relations and social structure, size and pattern of investment, structure of production, contractual payments, education and social services as well as fiscal measures are regarded as the instruments of economic development on the one hand and reduction of socio-economic imbalances and disparities arising from the process of income-generation, in the accrual of private and personal incomes and in the standards of consumption on the other. Only a concerted effort having recourse to all these instrumentalities would have facilitated the realisation of the stated goals and objectives. Unfortunately, the first 25 years of Indian Independence have been characterised by a lack of clarity in purpose and half-hearted and mixed up institutional and organizational changes which have rendered tax efforts somewhat ineffective and tax administration difficult.

Conflict of Purposes

The Constitution of India has enshrined private ownership of property as a fundamental right and has relegated: (1) an equitable distribution of ownership and control of the national resources of the

community; and (2) the prevention of concentration of wealth and means of production resulting from the operation of the economic system, to the Directive Principles of State Policy. The institutional reforms attempted so far are meant to strengthen private property in land and business. The growth of public sector is largely meant to supplement and subserve private sector. Leaving the commanding heights of the directly productive and profit yielding economic activities in private hands accounts for the basic contradictions between the twin objectives of increased production and reduction of inequalities. Even the Plan documents where the social objectives are strongly emphasised, considerations of "increased production" has invariably exerted the deciding influence. While, on the one hand, the First Plan recognized the efficacy of fiscal measures such as death duties, graduated income tax and so on as important equalisers, on the other, emphasised the need for balancing the advantage of greater equality of incomes against the disadvantages of a possible fall in private savings and capital formation and general discouragement of productive activities. Taxation of the rich was to be stepped up only when alternative sources of savings and agencies for capital formations are developed.[1] Similarly, even while the Avadi Resolution was still filling the air, the Second Plan sounded a note of warning that "it is important to ensure that in reducing inequalities no damage occurs to the productive system as would jeopardise the task of development itself."[2] The Planners realised the importance of fiscal measures in reducing inequality in income and wealth. At the same time, they played down the scope of progressive direct taxes on the ground that "the marginal rate and taxation on incomes in higher brackets have already been satisfied". It was feared that progressive fiscal measures would adversely affect the incentive to work and save besides "creating other difficulties".[3] The Third Plan, which marked a retreat from the earlier egalitarian professions, redefined progress towards socialism in terms of "efficiency, progressive approach to science and technology and steady rate of growth".[4] Consequently fiscal policy was relegated to the background. Similarly, the Fourth Five Year Plan has placed greater reliance on "positive steps for ameliorating the conditions of poorer people through planned economic development", and "the regulation and control over monopolies to prevent concentration of economic power".[5] Thus, it is obvious that,

---

[1] First Five Year Plan, People's Edition, Planning Commission, Government of India, [illegible], pp. 11, 12, 17 and 18.

[2] Second Five Year Plan, Planning Commission, Government of India, 1956, p. [illegible].

[3] Ibid., p. [illegible].

[4] Third Five Year Plan, Planning Commission, Government of India, 1962, p. [illegible].

[5] Fourth Five Year Plan, Planning Commission, Government of India, 1969, pp. [illegible]

in their anxiety for rapid economic development, the Indian planners were inclined to tone down the equalising role of fiscal policy under the Plans.

Even this limited social concern is not reflected in the official pronouncements of the various Finance Ministers. Following the recommendation of the Taxation Enquiry Commission, the primary preoccupation of the Government was to raise the proportion of taxes to national income and induce saving and investment. Accordingly, in his budget speech of 1957, T.T.Krishnamachari, enumerated mobilization of additional resources, provision of incentives to saving, restraint on consumption and improved tax administration as the objectives of tax policy of the Government of India. In this scheme of resource mobilization, if relief was given it was only for producers, savers and investors and not to the consumers. Later, in 1968, Morarji Desai offered some relief to exporters "to propitiate the gods of international competition". Reduction of inequalities in income and wealth or deconcentration of economic power never figured in fiscal policy pronouncements. Nor did they get reflected in the system of taxation or tax administration that have been in operation.

*Constraints on Tax Effort**

Indian type of mixed economy, where the profitable lines of economic activities are largely left in private hands, mobilization of resources is beset with severe constraints and limitations. First of all, the role of the state as a promoter and underwriter comes into conflict with that of a mobilizer. Often the loss sustained by electricity undertakings and other utilities and infrastructure facilities is largely attributable to the promotional efforts of the governments especially at the state level. The shortfalls in such non-tax revenues are generally a burden on the general tax payer.

Curb on Consumption

Tax effort under the Plans has largely been hitting the poorer consumers more than any other class. One can cite the highly graduated personal income tax or higher rates of commodity taxes on luxury consumption as evidence of progressiveness in taxation. Land revenue has remained as regressive as ever despite weak attempts to impose surcharges on larger landholders. The local and municipal taxes and

*For an elaborate treatment of the problem refer to the author's article on "Constraints on Resource Mobilisation", *Social Scientist*, Vol. I, No. 1, August, 1972, [illegible]

rates are basically regressive in character. Shorn of the frills, sale taxes in India are directed against the poorer and middle incom brackets who constitute the mass of the consumers. The bulk o Central and State excise is also raised from commodities of mas consumption. The sheltered market enjoyed by the Indian industrie is largely at the expense of the general consumers. In a sellers marke free from price controls company taxation could easily be shifted to th consumers through higher prices. Agricultural income-tax is still spec in the ocean. Against this background of regressivity of mos of the Central, State and local taxation, graduated income-tax hardl makes much of a difference to the overall character of the tax systen in India.

Though it is recognized that all direct taxes do not rest on the ric and some indirect taxes are aimed at the rich consumers, it is customer to classify taxes in terms of direct and indirect to assess, in broad terms who bears the brunt of the tax burden. Looked at this way, the basi tax statistics in India highlight the increasing reliance on indirect taxa tion affecting commodities of mass consumption both at the Central an the State levels. For instance, taxes collected through customs, unio excise and sales did not exceed Rs. 250 crores in 1950-51. The corres ponding figure in the budget estimates for 1972-73 is around Rs. 3,65 crores. This, of course, is exclusive of some of the prominen indirect taxes from state excise, motor vehicles, passenger and good entertainment and so on. On the other hand, direct taxes which affe the wealth and income (including that of corporation tax) of the ric has increased from Rs. 150 crores in 1950-51 to a little over Rs. 1,20 crores in 1972-73. If we compare personal income-tax with unio excise, it would be obvious that, whereas income-tax has not increase by more than 10 times, central excise has gone up by about 50 times ove the period 1948-49 to 1972-73. The poor performance of propert taxes becomes so glaring when viewed against the phenomenal increas in the net worth of private property. For instance, the net worth o privately owned corporate property is around Rs. 6,000 crores. Taxe falling on such property by way of wealth-tax, capital gains tax an gift-tax all put together amount to much less than Rs. 50 crores, to day (some of these taxes affect non-industrial property also).

It must also be noted that, more recently, the proportion betwee direct and indirect taxes has changed quite sharply in favour of indirec taxation. Whereas the revised figures of the Central budget for 1971-7 show a ratio of 2 :5 between direct and indirect taxes, the correspondin ratio for the additional taxes proposed in 1972-73 budget shows a stee rise to 1 : 10. In fact, every national emergency has been accompanie

by a sharp increase in indirect taxation affecting the masses of the consumer.

Inflationary Financing

Though deficit financing is not taxation, in effect, it is an instrument for curbing consumption and augmenting profit. In fact, in the context of an inflationary gap generated by the process of development, deficit financing erodes real incomes of those whose incomes are sticky or lag behind prices and makes mercantile and industrial capital more profitable. Insofar as it is politically more expedient, the Government of India has had liberal recourse to it as part of its general strategy of transferring resources from the general consumers to the saving classes. Though the Neo-Keynesians, who have been influencing the monetary and fiscal policies in India under the Plans, have favoured just a mildly inflationary policy of 2–3 per cent rise in price level per annum. Governments addicted to deficit financing are tempted to excessive indulgence especially when confronted with strait financial circumstances. In fact, during the last decade, the Government has invariably overshot the targets for deficit financing even though there have been serious shortfalls in the production programmes and conditions of supply. For instance since the end of the Second Plan, the growth of per capita real income was never even half as much as was planned. But the actual quantum of deficit financing in the Third Plan was more than twice as large as was envisaged. This trend has been further aggravated in recent years. Consequently, prices have more than doubled since 1961. As a result, speculative traders, oligapolistic and monopolistic producers and landlords controlling the bulk of the marketed surplus from agriculture have enriched themselves at the expense of the working class, landless poor and fixed income groups.

Inducement to Save and Invest[7]

Apart from reaping the advantages of a sheltered market and aggressive demand, the investors and producers in India enjoy enormous benefits by way of tax concessions and subsidies. The Indian Income-Tax Act offers a wide range of tax incentives for the development of industries, for improving agricultural productivity, for promoting exports, for stimulating savings in the household sector and for encouraging foreign investment in the country. New industrial enterprises, hotels and ships are normally allowed a five-year tax holiday.

---

[7] For a detailed list of fiscal incentives, refer to India, Pocket Book of Economic Information, Ministry of Finance, Government of India, 1970, pp. 297-323.

Unabsorbed benefit of tax holiday is allowed to be carried forward up to eight years from the commencement of the business. Dividend declared by new industrial undertakings are also entitled to tax holiday. Even when the holiday expires one is entitled to a tax free dividend of Rs. 3,000 p.m. Lower rates are allowed on companies engaged in priority industries or employing mainly displaced persons or repatriates. Inter-cooperate dividends are also given tax concessions.

Besides, Development Rebate (DR) constitutes an important stimulant investment in new machinery or plant installed in a broad spectrum industries. A rough estimate of DR available to the private corporate sector would be around Rs. 70-Rs. 80 crores a year at present. This implies an annual tax savings of about Rs. 40 to Rs. 45 crores which constitutes about 10 per cent of the amount collected under corporation tax.[8] Shipping industry which enjoys a higher rebate is said to have paid only Rs. 2 crores in the last 10 years as against Rs. 50 crores it would have paid in the absence of DR.[9] Apart from DR, Development Allowance of 30 per cent of cost of replanting is allowed to the tea industry. Export-oriented industries are also given additional concessions. The depreciation allowances allow for an accelerated recovery of the initial cost of investment. In addition, investors are allowed concessions on account of capital expenditure on research, transmission of technical know-how, amortisation of preliminary expenses, expenditure on shifting of industrial undertakings, expenditure on prospecting, amortisation of cost of patent rights and copy rights and so on. It is estimated that, if these concessions (including the tax credits still available on increased production, exports and so on) are withdrawn, the revenue would jump up by Rs. 185 crores[10], *i.e.*, about 38 per cent. These concessions are in addition to the concessional rates at which land, power, water and other facilities are extended by the various state governments to private business.

DR and other tax concessions and credits were meant to induce investment through (*a*) reduction in risk by enabling an early write off of cost of capital assets; (*b*) reduction in effective rate of tax, and (*c*) augmentation of internal resources. Early recovery of capital cost before the expiry of the full useful life of assets enables the investor to earn an extra return on the prematurely realised capital cost by ploughing it back into the business. Exemptions and concessions reduce the

[8] Paper presented by N. J. Jhaveri at the Seminar on Company Taxation organised by the Institute for Financial Management and Research, Madras during September [illegible]

[9] [illegible] by P. K. Doshi at the Seminar on Company Taxation organised by [illegible] for Financial Management and Research, Madras, during September [illegible]

[10] Ibid.

effective rate of tax on corporate income to around 43 per cent while the nominal rate happens to be 57.5 per cent. Many a spokesmen of the corporations raise a hue and cry about higher costs of replacement of wasting assets due to rising prices, but, available studies seem to indicate that internal resources account for more than 85 per cent of the expansion and replacement of gross outlays on fixed assets in the private corporate sector. In fact, internal resources were found to exceed the requirement of gross fixed capital assets (including expansion) in the year 1970.[11]

Tax inducements outlined above have often led to certain distortions in the allocation of scarce capital resources. Development Rebate is not deducted in computing the written down value of the assets for the purpose of calculating depreciation and extra shift allowances. Accordingly, total amount deductible over the life of a depreciable asset which qualifies for development rebate is more than 100 per cent of the cost; for example, in the case of ships, it is 140 per cent.[12] Such a liberal treatment has induced investment in low profit industries. According to S. Bhoothalingam such inducement is wasteful in a capital scarce economy.[13] Secondly, it is possible that, reduction of the private cost of fixed capital might have encouraged choice of capital-intensive processes of production and resulted in somewhat higher installation of capacity than what would have been in its absence. Thus DR might have been one of the factors responsible for the phenomenon of under utilisation of capacity. The cleverer ones amongst them might have also claimed tax credits for increased production by utilising the excess capacity created under the stimulus of DR.

It is often the well established big business which reaps most of the benefits of tax inducement. It is they who dominate the priority industries, enjoy the facilities for export-oriented activities; secure the best of the licences; pre-empt capacities; influence decisions regarding fiscal inducements and so on. It is the influential business houses who are in a position to extract favourable terms for the services, utilities and prices from the different levels of government. Consequently, fiscal inducements tend to aggravate inequalities within the corporate sector while at the same time transferring resources from the rest of the economy to the corporate sector. I.F.C., I.C.I.C.I., I.D.B., L.I.C., Commercial Banks and other financial institutions have been the main channels through which such transfers take place outside the fiscal

---

[11] M. J. Jhaveri, op. cit.

[12] India, Pocket Book of Economic Information, 1970, op. cit., p. [illegible].

[13] S. Bhoothalingam, "Final Report on Rationalisation and Simplification of the Tax Structure", 1968.

apparatus.[14] These transfers may be "developmental", but, are by no means "egalitarian".

The Development Rebate was conceived of by the Taxation Enquiry Committee as an incentive measure for promoting fixed investment in selected industries.[15] But when DR was introduced in India in 1955 it was in respect of new investment in plant and machinery for business purposes in all industries. Initially, the rate of DR was 25 per cent; though, in subsequent years, differentially higher rates were introduced for investment in priority industries though about 33 industries were declared as priority industries for purposes of DR as per Fifth Schedule to the Income-Tax Act of 1961. Another 28 industries were listed in the Sixth Schedule as priority industries for concessional rate of corporation tax. By ignoring the selectivity principle the DR had become a handy device to reduce the effective rate of corporate taxation. In fact, the foreign exchange crisis of 1958, the national emergencies of 1962, 1965, 1971 and the stagnation of the economy since the Third Plan, have all been accompanied by fresh crops of incentives and tax concessions. That is why the Government of India has announced the withdrawal of the Development Rebate from June 1, 1974[16] on the recommendation of the Wanchoo Committee. But, at the same time, the Wanchoo Committee recommended a sharp scaling down of marginal rates of personal income tax from 97.75 per cent to 75 per cent and recommended a few fiscal inducements for selected industries on the ground of labour orientation, development of backward areas, and additional productivity[17] and so on which might as well open the flood gates of new sets of incentives and rebates.

It is doubtful whether these incentives recommended by the Wanchoo Committee are well conceived. When the package of industrial development has several inherently capital intensive industries such labour-oriented incentives are likely to distort the projected pattern of industrial development and deflect resources into less important industries. As for inducing industries into backward regions, the locational disadvantages might outweigh tax incentives. Large dosages of incentives, powerful enough to overcome the

[14] Report of the Committee—*Distribution of Income and Levels of Living*, Part I, Government of India, Planning Commission, 1964, p. 47; R. K. Hazari, *Final Report on Industrial Planning and Licencing Policy*, 1966, pp. 22 & 26, Industrial Licencing Policy Enquiry Committee Report, 1969, ch. 7.

[15] *Report of the Taxation Enquiry Commission, 1953-54*, Government of India, Vol. I, p. [illegible]

[16] *Direct Taxes Enquiry Committee, Final Report*, Government of India, December 1971, p. 113.

cost disadvantages of backward regions, might be grabbed by the most influential amongst the big business houses and tighten their grip over the backward regions and the state governments and agencies engaged in the development of the backward regions.

Tax Evasion and Avoidance

Ever since the Second World War there has been a cumulative increase in "black money" which has given rise to a huge "parallel economy" in India today. Though all black money does not originate in tax evasion, all tax-evaded income represents black money.[18] In 1954-55 Nicholas Kaldor placed the income-tax lost through tax evasion at Rs. 200-300 crores.[19] The Wanchoo Committee estimated the tax loss in 1968-69 to be Rs. 470 crores.[20] It is interesting to note that evaded income-tax is larger than what was collected in that year. Similarly leakages in foreign exchange seem to account for Rs. 240 crores which is nearly one-fourth of our exports.[21] The Wanchoo Committee has listed the following as causes of tax evasion:

(*a*) high rates of taxation under the tax laws;

(*b*) economy of shortages and consequent contents and licences;

(*c*) donations to political parties;

(*d*) corrupt business practices;

(*e*) ceilings on and disallowance of business expenses;

(*f*) high rates of sales-tax and other levies;

(*g*) ineffective enforcement of tax laws; and

(*h*) deterioration in moral standards.[22]

Normally the remedial measures flow from the analysis of the causal factors. The Committee thought that the best way of reducing the temptation to evade is to scale down the marginal rate of income-tax (including sur-charges) from 97.75 per cent to 75 per cent as if the temptation could be any less at the reduced rate. The immediate revenue loss was placed at Rs. 40 crores though it hoped that it would

[18] Direct Taxes Enquiry Committee, Final Report, *op. cit.*, p. 4.

[19] Nicholas Kaldor, "Indian Tax Reforms, Report of a Survey", Ministry of Finance, Government of India, 1956, p. 105.

[20] Direct Taxes Enquiry Committee, Final Report, *op. cit.*, p. 8.

[21] The Report of the Study Team on Leakage of Foreign Exchange through Invoice Manipulation, Government of India, 1971. The actual amount is estimated to be around Rs. [illegible] crores per annum. See *Economic & Political Weekly*, July 22, [illegible].

[22] Direct Taxes Enquiry Committee, Final Report, *op. cit.*, pp. 167-68.

be offset in due course through better compliance and increased saving and investment.[23] The Committee was in favour of liberal allowances for business expenses by way of entertainment and maintenance of guest houses for temporary stay.[24]

The Committee has certainly applied its mind in favour of tightening the penal provisions and a more vigorous prosecution and enforcement. To a large extent, the effectiveness of implementation of these measures would depend on the extent to which donations to political parties could be regulated. It is understood that no worthwhile tax reform could ever be enforced without really snapping the link between black money and the corrupt political and bureaucratic elements. But, as is now obvious, the Government is in no mood to stop donations to political parties.

Tax avoidance takes place by availing the tax exemptions or tax privileges offered by the Government or by manoeuvres involving an element of deceit, misrepresentation of facts, falcification of accounts, including downright fraud. The first represents what is truly "tax planning," the latter tax evasion.[25] Taking advantage of the looseness in the concept of income and the confusions caused by institutions like the Hindu Undivided Family, partnership arrangements, charitable and religious trusts, treatment of expenses and so on, quite a good deal of income escapes the tax net. In fact, the technicians who design the tax laws seem to leave enough loopholes to be exploited by the army of professional accountants and tax lawyers at the service of the private tax avoider. For instance, wealth tax which apparently exempts only wealth up to Rs. 1 lakh, in fact, requires a person with 11 lakh wealth to pay only about Rs. 1,600 by way of wealth-tax if he carefully exploits all the loopholes left open.[26] According to Krishnan, properly tapped, even with nominal rates varying from 0.5 per cent to 5 per cent such a tax should yield about Rs. 220 crores to Rs. 350 crores per annum. Compared to this great potential the present yield of about Rs.15 crores looks so ridiculously low. In fact, as seen earlier, all the imposts borne by non-agricultural property and wealth such as Wealth-tax, capital gains tax and gift tax put together do not exceed Rs. 50 crores per annum. It follows that in view of widespread evasion and avoidance, the effective tax rate on companies are far lower than the formal rates especially in the case of dishonest tax-payers.

[23] [illegible] Taxes Enquiry Committee, Final Report, *op. cit.*, p. 20.
[24] [illegible] pp. 23-24.
[25] [illegible] p. 143.
[26] T. N. [illegible], "Taxation of Property and Net Wealth in India—A Note", [illegible] *and Political Weekly*, pp. 21-41.

The Wanchoo Committee has put its finger at the right place when it accused agricultural income as offering plenty of scope for camouflaging black money. As pointed out by the Committee, in recent years, agricultural farms, vineyards and orchards have been acquired by many film artists, industrialists and others, not for the love of agriculture but to convert their black money into "white money". Often, when tax payers are confronted with the need to explain certain deposits, investments or expenses, they attribute them to agricultural income. In fact, tax burden on the urban income is relatively so high that a tax payer having urban income of Rs. 10 lakhs is left after paying income-tax with almost as much income as another person having an agricultural income of Rs. 1 lakh only. The Committee has emphasised that there is no justifiable reason for this vast disparity between the tax burden on the two sectors, particularly when, as a result of the "green revolution" and the price-support policy of the Government, income from agricultural holdings has been progressively rising in recent years.[27] The Wanchoo Committee had also underlined the close link between evasion of income-tax and evasion of sales-tax.[28] But, in their effort to block the escape routes of evading income, the Committee seems to have hastily recommended the handling of agricultural income tax by the Centre and substituting central excise duty for sales tax without, in the least, bothering about the debilitating effect they would have on the already weak finances of the States.

The Wanchoo Committee placed the gross tax arrears at Rs. 840.70 crores as on March 31, 1970. The net effective arrears on the same date is, however, estimated to be Rs. 591.18 crores only.[29] Administrative delays, hurried and half-baked assessments, cumbersome procedures for appeal and disposals have all contributed to the accumulation of arrears over the years. Often, large firms equipped with expert legal advisers are the ones who profit by the dilatory processes of tax administration and discretionary powers enjoyed by the various levels of tax officers. The findings of the various Commissions of Enquiry into the affairs of some of the big business houses have revealed how evasion, avoidance and corrupt practices have been exploited by unscrupulous businessmen and their professional hirelings to minimise their effective burden of taxation. Therefore, as an overview, one could maintain that, whereas the taxes aimed at the poor hit them much harder than it meets the eyes, the overall burden on the rich has been much lighter than it appears on the surface. These realities have undermined

---

27 Direct Taxes Enquiry Committee, Final Report, op. cit., pp. 40-41.
28 Ibid., p. 43.
29 Ibid., pp. [illegible].

the efficacy of taxation as an instrument of levelling inequalities in income and wealth in India.

Conclusions

In a fundamental sense, it is the private ownership of the profitable lines of directly productive activities in agriculture, trade and industry which account for the inequity of the tax system and alarming leakages in revenue. A forthright remedy would have been the socialization of the means of production, exchange and distribution. When such straight forward course of action is found impracticable on pragmatic political grounds, fiscal policy as an integral part of the economic policy which aims at increased production along with reduced inequalities in income and wealth is bound to flounder against the logic of private property. At the policy level, therefore, the objective of rapid economic development through induced savings and investment gains dominance over the realisation of the egalitarian objectives through improved distribution and net fiscal transfers.

In practice, even rapid development envisaged within the framework of mixed economy is severely constrained on account of: (*a*) the loss of revenue involved in fiscal inducements; (*b*) the loss of real resources (both foreign exchange and scarce domestic resources) absorbed by the U-sector activities meant to meet the needs of property owners for incentive goods; and (*c*) leakages and seepages of revenue through tax evasion, tax avoidance and laxity in tax administration.

Once granted, incentives tend to perpetuate themselves in some form or other. For instance, protective tariffs have often been justified on the basis of infant industry arguments. But in practice, the 'infants' never give up their bottle feed! Similarly, the forms of fiscal inducements change from time to time. But, those addicted to them will always clamour for new and more potent stimuli. The experience of tax inducements in India has vindicated this tendency. The Development Rebate, for instance, was conceived of as a fiscal inducements on a *selective* basis. When it was given concrete expression selectivity was forgotten in favour of *all inclusive* applications. Then it was found expedient to evolve differential rebates and allowances in favour of *priority* industries. But, though national and plan priorities change from time to time, there was no corresponding weeding out of industries from the priority list. Instead, the list generally gets elongated over a period of time to the effect that specificity and selectivity lose all meaning. Even the Wanchoo Committee recommendations or the action taken thereon by the Government only tend to introduce new

types of inducements in the place of old. Besides, it is these incentives, allowances and exemptions which provide the necessary loopholes for tax avoidance. In fact, corruption breeds behind the discretionary powers enjoyed by tax administration while interpreting the various elements of inducements and exemptions in concrete cases. One way of plugging the loopholes and sealing the leakages is by eliminating all the elements of inducements in the tax laws and in presenting them as direct subsidies on the expenditure side of the budget in conformity with the shifting priorities of the Government. Apart from simplicity, this scheme would be relatively free from loopholes and areas of discretion.

Putting an end to the frittering away of scarce resources in conspicuous U-sector consumption would require vigorous controls at different points of decision-making such as allocation of investible funds and other scarce material, control over production, distribution and prices. In a way, these would test the strength of planning against the pressures of the market. In countries like India, where the market forces become increasingly dominant diverting the resources away from conspicuous consumption is almost impossible. For the same reasons, and for want of suitable organization, the abundant surplus manpower in India remains unutilised.

Wanchoo Committee has devoted a lot of attention towards the refinement of the tax laws, gearing up of the enforcement machinery and improvement of tax administration. But the trouble is that administration does not function in a vacuum. It is a part and parcel of the total politico-economic environment. The ownership structure causes enormous incomes to accumulate in private hands. This power of property and income extends far beyond the confines of normal business. Apart from conspicuous display of their affluence, the rich are in a position to finance the political parties and loading political elements at various levels. The influence and support gained in this process is the best guarantee against basically hostile economic environment and policies. Even if an administrator were inclined to remain neutral and objective, it would be extremely uncomfortable to disregard the community of interest that emerges between the political and economic interests. More often than not they succumb to the temptations and pressures arising from the environment. That is how the tax laws and their enforcement are found to be so inadequate in dealing with tax delinquency, leave alone enforcement of equity and social justice. The situation is far less cheerful at the cutting edge of tax administration. It would be too much to expect honesty and integrity from the persons who man a sales-tax pool, or a sales tax or income tax office at lower

levels when the whole atmosphere is vitiated by political and other forms of corruptions at high places. That is why the taxation in India has, so far been unable to tap the resource potential reduce inequalities in income and wealth and effectively overcome the black money which continues to haunt and harass the Indian economy.

TWENTY YEARS OF STATE TAXATION

*K. Venkataraman**

WE attempt in this article a broad review of 20 years of State taxation beginning from the First Plan and up to the year 1971-72. For reasons of space, the treatment cannot be exhaustive.[1] Therefore, some general observations have been made at the end of the article.

For all the increase that has taken place over the plan periods, State taxes are not significantly emerging as the *prima donnas* in the overall scheme of State finances. Table I (p. 396) indicates the role of State taxes in the total revenue of the States. Between 1951-52 and 1971-72, State taxes increased seven-fold but the total revenue budget of the States increased more than nine-fold. As a result, State taxes which occupied 58 per cent of the total revenue of the States in 1951-52 now claim only a share of 43 per cent which is only slightly higher than the total of devolutions and grants-in-aid from the Centre. State taxes have obviously been running not even to stay where they were but actually with the effect of being left behind in the race.

Another useful comparison may be between State taxes and non-developmental expenditure. The position in this regard is shown in Table II (p.397). It will be seen that the surpluses of State taxes over non-developmental expenditure has not been substantial and has actually shown a diminishing trend in recent years. The substantial increase in non-development expenditure in the Third Plan resulted in the balance from State taxes over non-development expenditure being negative.

The Statewise position shows an interesting pattern. Table III (p. 398) shows the amount and percentage of State taxes to total revenue. The overall trend, as we had observed earlier, is one of a diminishing share but the variations for each State over the period and the final position at present are interesting. In the comparatively well-advanced States, the percentage is between 50 and 58 with the exception of West Bengal, which has a low percentage of 48. Noteworthy is the effort of Gujarat,

---

* The views expressed are the personal views of the author.

[1] Some familiarity of the readers with the subject is assumed. Otherwise see, for example, the author's *States' Finances in India*, London, Allen & Unwin, 1968.

Table I

State Taxes in Total Revenue of States

(*Rs. Crores*)

Heads of Revenue	1951-52	*Percentage*	*Average in First Plan*	*Percentage*	*Average in Second Plan*	*Percentage*	*Average in Third Plan*	*Percentage*	1966-67	*Percentage*	1971-72*	*Percentage*
State Taxes	228	58	253	54	389	48	673	46	942	44	1,607	43
Devolutions	53	13	69	15	132	16	234	16	364	17	860	23
Non-Tax Revenue and miscellaneous	90	23	107	23	202	25	313	21	432	20	610	16
Grants-in-aid	25	6	38	8	85	11	247	17	397	19	675	18
Total	396	100	467	100	808	100	1,467	100	2,135	100	3,752	100

*Budget estimates.

Source: *Bulletins of Reserve Bank of India.*

Table II

State Taxes and Non-Development Expenditure

(*Rs. Crores*)

Heads of Revenue	1951-52	*Average in First Plan*	*Average in Second Plan*	*Average in Third Plan*	1966-67	1971-72*
State Taxes	228	253	389	673	942	1,607
Non-Development Expenditure	196	229	344	616	981	1,586
Surplus	32	24	45	57	—39	21

*Budget Estimates.

SOURCE : *Bulletins of Reserve Bank of India.*

Table III
Growth of State Taxes

Sl. No.	States	1957-58 Amount (Rs. cr.)	1957-58 Percentage to total revenue	1961-62 Percentage to total revenue	1966-67 Percentage to total revenue	1971-72* Percentage to total revenue	1971-72* Amount (Rs. cr.)	Per capita Tax Revenue (1971-72) (Rs.)
1.	Andhra Pradesh	32	51	43	45	52	149	33.71
2.	Assam	13	43	41	30	28	31	19.48
3.	Bihar	20	40	43	44	35	88	14.90
4.	Gujarat	—	—	41	47	51	111	40.64
5.	Jammu & Kashmir	1	11	9	9	13	8	—
6.	Kerala	13	47	44	42	47	74	34.00
7.	Madhya Pradesh	21	41	37	41	37	93	22.14
8.	Maharashtra	74†	57†	56	57	58	272	52.85
9.	Mysore	17	30	30	38	48	115	38.31
10.	Orissa	6	29	22	21	26	35	15.68
11.	Punjab	19	44	38	50	57	81	52.86
12.	Rajasthan	15	48	46	41	38	66	24.29
13.	Tamil Nadu	32	51	44	51	53	161	39.91
14.	Uttar Pradesh	32	51	44	51	53	161	39.91
15.	West Bengal	36	53	52	55	40	139	30.05
16.	Haryana	—	—	—	37	49	46	—
17.	Himachal Pradesh	—	—	—	—	15	7	—
18.	Meghalaya	—	—	—	—	3	7	—
19.	Nagaland	—	—	—	—	1	4	—

*Budget Estimates. †Undivided Bombay.

Source: Reserve Bank of India Bulletins and Economic Times, 27th March, 1973

Tamil Nadu, Kerala, Maharashtra, Mysore and Punjab where the percentage of State taxes to total revenue has actually increased in recent years. There is a perceptible drop in the case of certain States, like Assam, Bihar and West Bengal. We shall be seeing later as to how far individual States have exerted themselves in regard to taxation but the overall figures themselves provide a clue as to the efforts that have been made by individual States.

The growth of State taxation in the first two plans was not very considerable in absolute terms. These were the early years of planning and the magnitude of the State Plans had not been very substantial in those years. Heavy revenue expenditure on schemes relating to education and health perhaps started in right earnest only subsequently. This was also a period of change with the re-organization of States. Greater interest in exploiting their own tax possibilities was evinced by the States only in the sixties. The plan outlays were heavier, including revenue expenditure on education and health, and the general picture of State finances came to be marked by substantial over-drafts of a persisting nature. There were also pay revisions and periodical increases in Dearness Allowance of State and local government employees. However, with the portfolio of taxes being limited, States, which had not so far levied certain taxes, resorted to these, for example, the tax on passenger fares and freights in respect of motor vehicles. But, subject to this, the efforts were largely in terms of revising rates, widening the base, reconstructing or reorganizing the taxation pattern and taking measures for tightening up and rationalization. From time to time, some of the State Governments, though not all, also constituted committees to go into the financial position of the respective States. These Committees have made recommendations. During an earlier period, Maharashtra, and, in more recent years, U.P., Mysore and Kerala have done so.

Coming to the role and importance of individual taxes in the total revenues, the position has again varied substantially. No doubt every tax has grown over the period but some have grown more slowly than others. Table IV (p. 400) depicts the position. Land revenue, agricultural income tax, stamps duty and registration charges, urban immovable property tax, and State excise have all grown at a pace less than the average, between 1951-52 and 1971-72. Land revenue, however, showed a decline around 1967 due to the decision of some States to abolish land revenue or offer substantial concessions. General sales tax, sales tax on motor spirit and motor vehicles tax as well as entertainment tax and electricity duties have gone up far in excess of the average. The changing position of the importance of individual

Table IV
Individual State Taxes
(Rs. Crores)

Heads of Revenue	*Percentage of State Tax Revenue*	1951-52	*Average in First Plan*	*Average in Second Plan*	*Average in Third Plan*	1966-67	1971-72*	*Percentage of State Tax Revenue*
Land Revenue	21	48	65	91	114	90	101	6
Agricultural Income Tax	2	4	5	8	10	11	13	1
Stamps and Registration	11	26	27	37	60	81	130	8
Urban immovable property tax	1	2	2	2	3	3	5	—
State Excise	21	49	46	48	75	109	209	13
General Sales Tax	24	54	62	116	246	407	742†	46
Sales Tax on Motor Spirit	2	5	5	10	23	36	53	3
Motor Vehicles Tax	4	10	13	25	53	69	188‡	12
Entertainment Tax	3	6	6	10	22	35	58	4
Electricity duties	2	4	5	10	26	43	70	4
Other taxes and duties	9	20	17	32	41	53	38	2
Total	100	228	253	389	673	937	1607	100§

SOURCE: *Reserve Bank of India Bulletins.*

*Budget Estimates.
†Includes Central Sales Tax.
‡Includes Tax on Passengers and Goods.
§Percentages does not add up to 100 because of rounding.

taxes has also been shown in this Table. Sales tax and motor vehicles tax between them, account for nearly 50 per cent of the State revenues and it is to these taxes that the State Governments increasingly turn. Land revenue shows a familiar decline.

II

We now come to the additional taxation measures taken by the State Governments over this period. We may begin by saying that it is very difficult to calculate exactly the additional revenue due to additional taxation. Such increases as are due to enhancement of the existing levies and not due to imposition of new levies or due to an extension to items which can be separately identified, are difficult to arrive at. Besides, the additional taxation efforts, which we will consider, are the proposals outlined in the budget proposals as reported in the *Bulletin of the Reserve Bank of India*. Actual implementation could have been somewhat different.

There is no doubt that the States did very badly by way of additional taxation during the First Plan. As against a target of Rs. 230.30 crores for the total plan period, the achievement was only Rs. 80.4 crores, *i.e.*, merely 35 per cent of the targetted amount. Among the States which figure at less than the average percentage are Madhya Pradesh, Madras (including Andhra), Orissa, Uttar Pradesh, West Bengal and Mysore. Of the additional Rs. 80.4 crores raised by States during the five years, about 50 per cent was accounted for by sales tax and taxation of motor spirit and tobacco and 20 per cent by motor vehicles, passenger and carriage taxes. Taxation on land contributed very little and except in Uttar Pradesh irrigation rates also did not contribute any sizable amount. In sales tax, the major event was the changeover by Bombay from single point to multi-point yielding of an annual revenue of 2.5 crores. Some amplification of sales tax system was also made, among others, in Madras and Andhra States. This period also witnessed levy or enhancement of a tax on the sale of motor spirit. Another feature was the introduction of a tax on passenger fares and freights in regard to motor vehicles, particularly by Madras and Punjab, in 1952-53. This was followed by other States during the First and Second Plans. Yet another feature was the levy of a surcharge on agricultural land and also more intensive taxation on plantations. Betterment levy was imposed in a number of States though it is not clear whether it was actually collected, because the course of betterment levies has never run smooth. As a matter of fact, it may be mentioned here that concerted action by the Planning Commission during the First Plan and the early years of Second Plan to increase land revenue and

enforce betterment levies might have resulted in a more orderly and fruitful implementation leading to greater revenues. Agricultural income tax on plantations also came to be levied in Madras, Mysore and Orissa. Yet another feature was the revision of court fee schedules in many States. Not much revenue was derived by enhancement of stamp duties.

As regards the Second Plan, the achievements of individual States are not available. The taxation requirements seem to have been increased in the course of the Plan. The Third Plan simply states that additional taxation efforts by the Centre and the States during the Second Plan exceeded the estimates. Perhaps, it ought to be accepted that the States, as a class, have not fallen short of expectations. In the first three years, the States had levied taxation which would give a yield of Rs. 150 crores over five years as against the target of Rs. 225 crores.

Most of the States undertook some taxation effort in 1956-57. The taxation effort of Orissa and West Bengal for the period as a whole was very poor. Andhra Pradesh, Assam and Mysore made some modest tax proposals for only one year. Hence, even if States as a whole had done well, it may be stated without fear of contradiction that there were individual States whose performance left much to be desired.

The major sources of increase during this Plan too were general sales tax and taxes on motor spirit and motor vehicles. Bihar introduced a general sales tax besides its single point sales tax. Bombay levied a tax on passenger fares and freights. There were increases in electricity duty also.

We now come to the performance of the States in the Third Plan. A target of Rs. 610 crores was fixed for the States as a whole and they achieved it. During this period, the performance of Bihar was rather nominal. Speaking broadly, States like Madhya Pradesh, Punjab, Rajasthan, Maharashtra, and Tamil Nadu seem to have been rather "progressive" in the introduction of tax measures without any hesitation, whereas States like Bihar, West Bengal and Uttar Pradesh seem to have been rather reluctant to impose measures of additional taxation. In 1961-62, there was not much of additional taxation, obviously in view of the impending elections. There was a substantial dose of additional taxation by many States in 1962-63 and the trend was more or less kept up till the end of the Plan. General sales tax and taxes on motor vehicles were again the spearheads of the tax efforts of States. There were some increase in land revenue, though not probably to the extent envisaged. Electricity duty was emerging as an important source of revenue.

Subsequent to the Third Plan, broadly speaking, many States have engaged themselves in efforts to raise additional resources. But the performance again shows wide variations. In Bihar, there were no taxation proposals for three years from 1967-68 to 1969-70, and in 1970-71 there were actually tax concessions in regard to land revenue to the extent of Rs. 2.4 crores per annum. Bihar, however, made it up by proposals to the extent of Rs. 900 lakhs in 1971-72 but the measures to be taken are not so much related to additional taxation but to tightening up of the existing system, such as streamlining of sales tax to prevent evasion (Rs. 5 crores per annum), initiation of steps to prevent evasion of motor vehicles tax (Rs. 1 crore per annum) and adoption of measure to collect overdues of loans (Rs. 2 crores). Mysore had no taxation proposal between 1966-67 and 1969-70 and only in 1970-71 it proposed additional taxation measures. Between 1966-67 and 1971-72 neither Uttar Pradesh nor West Bengal proposed any taxation.* Uttar Pradesh actually announced certain concessions, which it was stated, would be covered by additional taxation, but no details of it are available. On the other hand, Madhya Pradesh, Orissa, and Jammu & Kashmir have been engaged in additional taxation almost every year with Tamil Nadu, Kerala and Rajasthan figuring as States which had proposed taxation for a number of years during this period. As could be expected, the majority of States resorted to increases in sales tax and in motor vehicles tax. Stamp duty also received some attention. The new features during this period were the introduction of lotteries and increase in State Excise, including the withdrawal of prohibition in Tamil Nadu.

III

The broad features of taxation in the States from the sixties onwards can now be summarized. During the later years, particularly after the Fourth General Election, certain States, like Bihar and Uttar Pradesh, proposed aboliton of land revenue. In 1970-71, Bihar exempted all unirrigated holdings up to 5 acres and irrigated holdings up to 2½ acres from payment of land revenue. Curiously enough, in 1971-72, Kerala which had exempted holdings below 2 acres some years earlier, removed the exemption! These events apart, there has been general appreciation of the need for increasing land revenue. In the earlier years, the increase took the form of straightforward raising of rates in many States, like Assam, Andhra Pradesh, Kerala, Tamil Nadu and Mysore. There was emphasis on irrigation rates and betterment levies in Uttar Pradesh, Orissa and Madhya Pradesh. A comparatively new feature was the introduction in Maharashtra of a per acre levy on cash

* In 1972-73, West Bengal has proposed taxation measures to the extent of Rs. 14 crores per annum. U.P. has also announced substantial taxation measures.

crops in irrigated land, which was taken up by other States as well, like Punjab, Madhya Pradesh, Andhra Pradesh, etc. A measure of progression has been introduced by way of surcharge on land revenues of holdings above a certain level. There has been no particular shift towards the use of agricultural income tax as a measure of taxing the rural areas. The diversity of the measures by which the taxation of land is sought to be increased is at once a measure of the possibilities and the reluctance of the State Governments to go in boldly for greater taxation of land. To abolish land revenue to the extent that the State Governments still persist will make a small but significant dent in the finances of the State concerned. If land revenue is to be abolished at the State level, it may well be appropriately delegated to local bodies for exploitation.

The proceeds of agricultural income tax more or less remain stagnant. The bulk of the revenues in this regard come from areas having large plantations. The only noteworthy feature in recent years is that Tamil Nadu removed the provisions for compounding which had been fixed comparatively low.

Stamp and registration duties have on the whole shown a measure of buoyancy since the second plan, probably due mainly to land reform measures. Increases in stamp duties for transactions on land as well as for court fees have been effected from time to time. It is well known that in this sphere, there is a certain amount of leakage of revenue due to undervaluation. Rajasthan, during the Third Plan, and other States, like Tamil Nadu and Andhra Pradesh later, have proposed specific steps to check evasion and also to assess stamp duty on the basis of market value. Registration fees have also been stepped up in a number of States.

During the Third Plan, a number of States introduced taxation on urban land and it looked as though it was likely to be a good source of revenue. However, revenue from this source has remained, by and large, stagnant. It should be noted, however, that taxation of urban land comes into competition with property taxation by Municipal Authorities and the Taxation Inquiry Commission had recommended that the urban immovable property tax should be progressively reduced by the States levying the tax as and when and to the extent the municipalities raise the rate of the tax. While Gujarat and Maharashtra have more or less recognized the value of this recommendation, some States, particularly Madhya Pradesh, would appear to tax municipal property themselves. Mysore has imposed an urban development surcharge on property tax. No doubt the proceeds of the tax can be

channelized through the mechanism of grants-in-aid to local bodies but the extent and the manner in which it will be done is a matter about which individual local bodies cannot feel sanguine.

Motor vehicles taxation is becoming a field of taxation which is frequently resorted to. The following are the major trends in this regard:

(1) Diversification or enhancement in motor spirit taxation;

(2) Introduction, diversification or enhancement of the tax on passenger fares and freights and, to some extent, those of the motor vehicles tax itself;

(3) Straightforward increases in motor vehicles taxation; and

(4) Higher rates of taxation for fleet owners in Andhra Pradesh.

Taking the field of motor vehicles taxation as a whole, it may be mentioned here that Bihar, Mysore and Uttar Pradesh are the only States which have not substantially resorted to it.

The trends in respect of sales tax are the following:

(1) A greater consciousness of the need to check evasion as evidenced by the steps taken by Kerala, Rajasthan, Uttar Pradesh, Tamil Nadu and Bihar.

(2) Increasing taxation of luxury goods. The States raised the sales tax on luxury goods to 10 per cent in pursuance of the decision of the Finance Ministers Conference in February, 1963. Since then many States have been raising the rates in recent years from 10 per cent to as much as 15 per cent.

(3) Making adjustments in sales taxation corresponding to the Inter-State rate of 3 per cent.

(4) Increasing tendency to tax foodgrains and cereals, as done in Kerala, Madhya Pradesh, Orissa, Rajasthan, Punjab and Haryana.

(5) Inclusion of the Central Government within the scope of definition of "Dealer" for the purpose of levy of sales tax in Maharashtra.

(6) A surcharge on sales tax collected in major cities and suburbs, as in Tamil Nadu.

As compared to the amount of revenue that it fetches, it appears that the State Governments have not devoted sufficient time and

attention to the manner in which evasion can be checked and the sales tax system can be organized in a more orderly and productive manner.

In respect of other taxes, one feature is the increasing exploitation of State excise, after a period of stagnation. Andhra Pradesh and Uttar Pradesh, during the Third Plan, and, later, Tamil Nadu, have derived substantial revenues through this measure. The imposition of electricity duties or taxes on the consumption of electricity appeared to be a prominent source of revenue, particularly in the manner in which it was resorted to in Madras. In the context of increasing generation and utilization of electricity, this is bound to be a growing revenue. However, other States do not appear to have followed it up with equal enthusiasm.

New forms of taxation adopted during this period include:

(1) tax on State Trading in Kendu leaves in Orissa;

(2) tax on certain forms of advertisement in Rajasthan and Punjab;

(3) tax on purchase of cows, sheep and buffaloes for disposal outside the State in Rajasthan;

(4) a toll tax on new roads and bridges in Orissa;

(5) an education cess in Maharashtra; and

(6) an urban development surcharge on property tax in Mysore.

In addition to new levies and increases, some States have also taken credit for substantial sums by way of tightening up or rationalizing the tax systems and checking evasion. It is not known how far the amounts taken credit for were actually realized.

Non-tax revenues have also grown over the years though their proportion to the total revenues has not changed appreciably. This revenue includes administrative receipts, net contribution of public enterprises, like forests, irrigation, road and water transport, industries, and other revenues, like interest payments, stationery and printing receipts, and miscellaneous receipts. The potentialities under each of these items will vary from State to State, but, broadly speaking, till recently sufficient attention was not given to the components of non-tax revenues and the means of increasing them. However, in recent years, in the context of the limitations in raising tax revenues, greater attention appears to have been paid to the non-tax revenues. The non-tax measures taken in the sixties would include: (1) Imposition of fees in

all classes above primary stage in Punjab. Kerala proposed a similar measure but withdrew it. Kerala, however, increased the admission and tuition fees in colleges. (2) State trading in Kendu leaves in Madhya Pradesh and Orissa. (3) Increases in State transport fares in Kerala and Tamil Nadu. (4) Rationalization of rates of royalty on timber in Assam and increase in rates of royalty on minerals in Madhya Pradesh, Rajasthan and Orissa. Madhya Pradesh, in particular, seems to have taken up the question of royalties, laying down rules for grazing, mining, etc., in detail. The royalties on minerals would require to be looked into by all the States, for the mineral rules were framed long back and may not be quite appropriate now. (5) Similarly, licence fees would require to be looked into. Haryana increased these fees in 1967-68. (6) Madhya Pradesh proposed to convert 50 per cent of the beds in the general wards attached to the district hospitals and medical colleges as paying beds and to levy a charge of Rs. 2 per day per bed for persons whose monthly income exceeds Rs. 500. This is a noteworthy feature of a State Government being willing to levy a fee on an exisitng social amenity. In 1968-69, Punjab followed suit. (7) Nationalization of timber trade in Madhya Pradesh in selected areas and expansion of departmental lumbering in Jammu & Kashmir. (8) Increase in water rates for supply of water in Madhya Pradesh.

Two other measures adopted in recent years, which will not increase the revenue budget but will augment the overall resources, include issue of rural debentures in Tamil Nadu and increase, in the context of a rise in pay or Dearness Allowance, in the percentage of contribution to Provident Fund by Government emoployees and teachers in Tamil Nadu and Kerala.

Beginning from January, 1968, State lotteries have been introduced in a number of States one after another. Andhra Pradesh, Gujarat and Nagaland are the only States which do not have State lotteries. The net revenues from these lotteries are in the region of Rs. 15 crores and in spite of a small downward trend in individual States, are likely to stabilise around this figure. Even in State lotteries, it is seen that the more advanced States, like Maharashtra and Tamil Nadu, are able to get larger revenues than the relatively less advanced ones. There is no doubt, however, that lotteries have become an accepted part of the non-tax revenue structure of the States concerned.

We now come to the taxation objectives of the Fourth Plan. The additional mobilization during the annual plans preceding the Fourth Plan has exceeded the targets. The Fourth Plan target is Rs. 1,098 crores. As against it, the additional measures proposed in 1967-70

and 1970-71 are expected to yield Rs. 331.2 crores over the Fourth Plan period and constitute 30.2 per cent of the five year target. It may, however, be mentioned that instead of tax effort, emphasis has shifted to resource mobilization so that not only the tax efforts, which will contribute to the revenue budget, but also other measures, which will improve the total position of resources are contemplated. This includes items, such as increasing Electricity Board Tariffs, issue of rural debentures, increasing provident fund rates to countervail increases in Dearness Allowances.

The Fourth Plan mentions the following guidelines for mobilizing additional resources:

(1) Steps may be taken by the State Governments to raise the rate of return from electricity undertakings to at least 11 per cent as recommended by the Committee on the Working of State Electricity Boards (Venkataraman Committee). Further, graduation or differentiation in tariffs may be introduced so as to charge higher price from the better off consumers.

(2) The recommendations of the Committee to suggest ways and means of improving financial returns from irrigation projects (Nijalingappa Committee) may be implemented. The Committee suggested that irrigation rates should be fixed at 25 to 40 per cent of the net additional benefit to farmers from irrigated crops or at 5 to 12 per cent of the gross income from irrigated crops if the former is not possible; it also recommended that compulsory surcharge and betterment levy should be imposed. Implementation of these recommendations would reduce the loss to the States (estimated at Rs. 106 crores in 1970-71 budget) from commercial irrigation and multipurpose river valley schemes.

(3) Measures may be taken by the States to raise the return on capital employed in industrial and commercial undertakings (other than public utilities) to 15 per cent.

(4) State Governments may float rural debentures to finance schemes, like irrigation, agro-industries, housing, rural electrification, etc.

(5) Mobilization of resources from the agricultural sector may be undertaken. For this purpose, the following alternatives are suggested: imposition of a progressive tax on agricultural income at rates comparable with the Union tax on non-agricultural incomes or levy of surcharge at progressive rates on land revenue by size of holding or type of crops.

(6) Commodity taxes may be levied to: (*a*) restrain conspicuous consumption, (*b*) generate exportable surpluses, (*c*) bring about desirable allocation of productive resources, (*d*) mop up producers' surpluses, etc. Rates of sales tax, wherever these are low, should be raised to bring about inter-State uniformity and raise additional revenue.

(7) Taxes may be levied on land values which have risen in and around developing urban areas.

(8) The State Governments may withdraw those incentives, in case of which purpose served by them is not commensurate with the loss of revenue to the States.

Broadly speaking, not much attempt seems to have been made towards increasing the rate of return of Electricity Boards and of the industrial and commercial undertakings and by way of increasing agricultural income tax. Some attempts have been made to increase the water rates and to tax luxury items and urban land. To a lesser extent, attempts have also been made to float rural debentures.

There is a measure of incentive for the States to mobilize additional resources in the revised pattern of Central assistance. Ten per cent of the Block grants will be distributed with reference to the additional mobilization efforts of the States.

IV

We must conclude with some general observations on the various factors that impinge on the mobilization of State tax resources.

Firstly, the imbalance in the distribution of functions and finances between the Centre and the States has been aggravated to a position of fundamental disequilibrium, particularly in the context of large developmental outlays on schemes to be implemented by the State Governments. The quantum of devolution and grants-in-aid which are intended to rectify the imbalance between functions and finances, has also grown to a very substantial proportion for this reason. In such a situation, where the implementation of major schemes requires under-writing by the Centre and the dependence on devolution and grants-in-aid is inescapable, there can obviously be not the same amount of initiative on the part of the States to increase the revenues from their own resources as it would be if they stood on their own legs. The penalties are, like malnutrition, long-run penalties. This factor may

explain to some extent the differing tax performances of States. Pressure on States to raise their own resources does however, arise in two ways. First, since no scheme of devolution or grants-in-aid is likely to turn out to be liberal for all States and for all times, any new schemes or enlargement of existing schemes which the State may like to implement and which it did not plan for, would require additional revenues. Hence, the viability at the margin to go in for new schemes is dependent on the extent to which the States can go in for taxation on their own. Second, it is not as if the Central Government in its dispensation of grants-in-aid is oblivious of the fact that some incentives as well as compulsions will have to be built in. Where there is no statutory obligation involved, the transfer of resources involves a measure of negotiation between the Centre and the State Governments and it is possible, as part of the package of assistance, to insist on some agreed quantum of State Taxation. Recently, certain incentives have also been built in into the grants-in-aid pattern to impel States to increase their tax resources.

Secondly, another feature which aggravates the imbalance between functions and finances is that the elasticity of many of the State taxes in relation to growth, is very limited. Except for sales tax and tax on consumption of electricity, the other taxes do not have any great elasticity. Besides, the taxes are located in what may be called areas of competing demands. Sales tax has to compete with Central Excise in the matter of commodity taxation. The other type of competition or over-lapping arises in regard to agencies. There are certain taxes in the State List which are either traditionally handed over to local bodies or are by themselves suitable for exploitation at the local level, like immovable property tax, profession tax, etc. Similarly, a tax on electricity has to compete with electricity tariff and this poses problems when the finances of the Electricity Boards are themselves in disarray.[3]

Thirdly, the lack of elasticity in State revenues has grave implications. Sales tax is, no doubt, a tax which can grow along with growing economic activity. If we study the figures closely, we find that the advanced States, like Maharashtra, West Bengal, Gujarat, Tamil Nadu and Punjab, are able to derive a larger proportion of revenues from sales tax than backward States, like, say, Assam, Orissa and Rajasthan. To the extent that there is no economic growth in these backward States and that sales tax does not provide the necessary elasticity in revenues, greater dependence has to be placed on other taxes, including land taxation, to mobilise resources. But quite often, a State which is backward industrially, is also backward in agriculture. Even if improved

[3] On the finances of Electricity Boards, see author's *Power Development in India, the Financial Aspects*, New Delhi, Wiley Eastern 1972.

techniques are adopted and high per-acre yields obtained, given the limitations of a price support policy, the fact that there are not many large urban centres in these States would mean that the prices of agricultural goods are likely to be somewhat less favourable than they would be in an industrially advanced State. This not only means that the backward States are forced to tax agriculture more—a necessary exercise which the advanced industrial States can desist from—but it also means that the problems of backward States get accentuated into the familiar vicious circle and the prospects of their raising more resources are made somewhat more difficult. In this perspective, the problems of backward States achieve greater poignance and would call for perhaps greater corrective action by larger devolutions and grants-in-aid and also for greater measures for economic development of these areas.

Fourthly, State taxation does not appear to display any clear economic rationale. This is partly because the State Governments do not by themselves have all the necessary instruments for direction and control of the economy and partly because taxation exercises do tend to be *ad hoc*. But even in agricultural taxation, where they have the entire field to themselves, it does not appear that they have adopted tax policies with a clear and specific economic orientation. In the field of sales tax, there appears to be no coordination of policies among State Governments except to the extent that on a suggestion from the Centre, they have tended to tax luxuries at more or less uniform rates. Varying concessions are offered by various State Governments for attracting industries. These stray observations apart, it is not possible to discern any clear economic rationale in the taxation efforts of the State Governments.

Fifthly, there is ample evidence to show that the State Governments have, as a class, not been willing to exert themselves in the field of agricultural taxation. In addition, some of them have effected concessions in land revenue, though at the moment proposals to abolish it altogether are not very much alive. In view of the evident reluctance of the State Governments, an appropriate solution for them would be to delegate this power to the local bodies concerned so that they could exploit it in accordance with local needs. It is well known that local bodies are still Cinderallas in the matter of financial allocation and there is a notorious imbalance between their functions and finances.[8] Grants to local bodies as a percentage of total revenue receipts of States are around 12 per cent and devolutions are around 1.5 per cent. In such a situation, if the Panchayat Samitis are given powers to tax land or levy surcharges on land revenue, they can do so with reference to their

[8] Vide the author's *Local Finance in Perspective*, Bombay, Asia, 1965.

own needs and with reference to local schemes which will make the acceptance of the tax by the local population easier. There is, however, one problem. By raising a given amount of taxation between an agriculturally fertile area and one which is not so, a larger burden will be cast on the farmers in the less fertile area, because there the land revenue rates are lower at present. This unequal burden will have to be neutralized by offering incentives through matching grants which should vary in inverse relation to the per capita land revenue of the local area.[4]

Sixthly, it is difficult to work out very clear indices to measure the taxation efforts of State Governments. No single criterion or norm appears to be satisfactory. State tax revenues as a percentage of total revenues do not give a clear picture particularly became the amounts of devolution and grants-in-aid that individual States may have received will not be in a fixed proportion of tax revenues for all States. Hence, a comparison becomes rather impossible. State tax revenues per capita is again not a good indicator as it relates to needs rather than potentialities as such. The per capita tax revenue expressed as a percentage of per capita income is, no doubt, a good indicator but is not a final one since it throws no light on the composition of the per capita income and, in particular, the industrial and urban nature of the income which can get immediately reflected in better sales tax revenues. For the same reason, the State tax revenues expressed as a percentage of State incomes (these are found to fluctuate within comparatively narrow limits[5]) do not provide a suitable norm for judging tax efforts. But in spite of these limitations of individuals criteria, there is no doubt that there are a few States which do qualify for a 'good' or 'bad' tax effort, on the basis of many of these criteria. In fact, our elaboration of the overall limitations in judging the tax efforts of States is not intended to cover obvious inadequacies and inefficiencies. A good deal of administrative action is necessary for streamlining the tax effort. This would include: (1) recovery of tax arrears which amounted to Rs. 186 crores around March, 1969 and is particularly large in some States (like U.P., West Bengal, Andhra Pradesh, and Bihar)[6]; (2) tightening of administration; (3) checking evasion which many States have admitted to exist[7];

---

[4] For an illustration and a possible solution see the author's "Panchayat Unions in Tamil Nadu", *Eastern Economist*, August 22, 1969.

[5] *See* Table 3 in "Lopsided Tax Efforts of States", *Economic Times*, Bombay, 27th March, 197[illegible].

[6] *See* Table [illegible] in "Growth and Structure of State Tax Revenues", *Reserve Bank of India Bulletin*, [illegible], 197[illegible], p. 75.

[7] [illegible] the *U.P. Taxation Enquiry Committee*, sales tax revenue rose by 52 per [illegible] over 1965-66 without raising of rates, mainly due to improvement in

(4) rationalization of tax systems; and (5) broadening the tax base wherever possible. It is also necessary that State Governments systematically compare notes on the tax systems, particularly of sales tax. As it is, very little of such comparative studies are made and it will be useful if States would agree to remit such matters of common interest to an existing research institution with appropriate financial contributions.

FISCAL POLICY FOR PLANNED DEVELOPMENT*

M. Narasimhulu

FISCAL POLICY is a wider part of the theory of public finance. This article attempts to deal with the problem of taxation and the role to be assigned to it which in turn forms a part of the larger field of fiscal policy. The fiscal policy to be followed differs from situation to situation. Failure to realize this will lead to several undesirable consequences in the economy. The fiscal policy has to be viewed in relation to the economic strategy to be followed by the economy.

The stream of thought in this article, in general, is a part of post-Keynesian theory which owes its origin to Professor Joan Robinson and others of the Cambridge School, as extended by Prof. Gautam Mathur to problems of underdeveloped countries. It aims at explaining the ideas that have been developed on this subject at the Osmania University from 1964 onwards. These ideas are based on the stance that the study of any branch of Economics should not be undertaken in isolation.

The long-term objective presumed here is complete technological transformation of the economy from the presently used inferior and primitive techniques to the most advanced technology with full employment. It is not sufficient to have a short-sighted objective, such as merely doubling of the standard of living but by raising it many times. In short, the target or the objective is to attain golden age at full employment with the highest per capita consumption steadily maintainable in the terminology of Mrs. Joan Robinson. To achieve this objective, we have to have a long-term or perspective planning of 50 to 60 years encompassing the industrial revolution in the country as a whole rather than of 20-25 years which forms the basis of Indian Five Year Plans. It is not sufficient to have merely a perspective plan; it should be of a non-inflationary, steady growth type (in the terminology of Prof. Gautam Mathur). That is why the success of fiscal policy depends to a great extent upon the strategy to be followed. In addition to the

*The author acknowledges the help received by him in preparation of this article from Dr. C. Kurien, Dr. P. Sambiah, Dr. Gautam Mathur, Dr. Yadava Reddy, Dr. K. [illegible] Rao, Mr. Ch. Raghuram, Mr. H. Venkatesh[illegible] Rao, Mr. K. [illegible] and [illegible] A. [illegible].

above economic objective, by convention, in our country, the State has taken the responsibility of achieving a socialistic pattern of society, which requires the mitigation of disparities in the living standards. It is not merely sufficient either to achieve a multi-fold increase in standard of living or to adopt advanced techniques but we have to achieve this in the context of a socialistic pattern of society.

As a corollary, the problems of such fiscal policy would centre round the selection of a long-term strategy of development to promote adequate creation of the reproducible capital investment base as early as possible and as also the formulation of fiscal policy with reference to the selected strategy of development mainly concentrating on the rate and pattern of investment expenditure. None of the studies made hitherto has a reference to the strategy of development relevant to the path leading to the goal.

The goal or the objective is to attain the golden age in the least possible time, while on the path leading to the golden age, the type of growth is known as the platinum age (in Professor Joan Robinson and Professor Gautam Mathur's terminology respectively). The main advantage of platinum age lies in its wage rate being lower than that of the golden age wage rate and this facilitates the generation of a higher rate of surplus, and hence the large rate of growth.

In an underdeveloped country, such as ours, the capital per man is less than the optimum level. The need of the hour is to reach the level of optimum capital intensity as quickly as possible, with no importance to the short-run profit-rate. The optimum capital intensity technique could be introduced right from the beginning so as to gain the permanent benefit of long-term profit-rate that corresponds to the golden-age rate. In this context, one of the objectives of fiscal policy would be to keep the real wage rate low.

STRATEGY TO BE FOLLOWED

According to Prof. Gautam Mathur, there are four strategies of economic development.[1] They are:

(1) The strategy of heavy investment;

(2) The light machinery strategy;

(3) The wage goods strategy; and

(4) The U-goods strategy.

---

[1] Gautam Mathur, *Planning for Steady Growth*, Oxford, Basil Blackwell, 1965, Chapter XII, pp. 226, 227 and 232, and "Human Resources Development", *Proceedings of the [illegible] Conference*, International Economic Association, 1969, p. 10

The selection of the optimum strategy depends upon the initial non-employment in relation to the availability of natural resources.

In the context of least-time criterion, if the non-employment is very large, the wage goods strategy is the optimum one. If the non-employment is large but not very large, it is the Heavy Investment Strategy which is the optimum one. If the non-employment is moderately large, it is the light strategy which is the best. The fourth strategy is suitable for those economies who have already reached the golden-age wherein the need is to supply the fruits of development to all sections of the society.

On the above criterion, it is to be expected that it is the Heavy Investment Strategy which is the optimum for a country like ours. In this strategy, priority has to be given for the production and ploughback of heavy equipment within the Heavy Investment Sector, in the form of the Heavy Investment projects, such as 'Hydro-electric Dams, Steel Mills and chemical factories which take a long time to build and to start effective operation"[8] and which constitute the basis for the industrial revolution.

Heavy Strategy

In the Heavy Investment strategy, priority is given to the production of heavy equipment (H)[9] which could produce itself while the production of light machinery is postponed. In the Heavy Strategy, we have four processes. They are:

(1) $C \quad P1 \longrightarrow C$

(2) $C \quad P1 \longrightarrow P1$

(3) $C \quad \longrightarrow H$

(4) $C \quad H \longrightarrow H$

C represents a composite consumption good, *P1* represents a *H*-conserving equipment which cannot only produce *C* but also reproduces itself. *H* represents the complex of heavy investment sector which can either be produced with bare hands or by using itself as an input.

In the first process, consumption good (*C*) and plough (*P1*) produces corn (*C*). In the second process, corn (*i.e.*, wage-good) and

[illegible] Mathur, "Optimum Manpower Utilisation in Long-Term Development" [illegible] Report, 1964, p. 22.

[illegible] Heavy Equipment

plough produce plough. In process three, corn (wage-good) produces heavy equipment without using *H* as an input, and in the fourth process, consumption good and heavy equipment as inputs are used to produce Heavy equipment. This is the mechanized process. Even though processes 3 and 4 are used for the production of Heavy equipment, the output per man (O/L) is the highest in process No. 4 than in process No. 3. But prior to starting of the 4th process, we have to use process 3 and produce some heavy equipment and transfer it to the sub-economy where process 4 is used. In the absence of such a bare-hands process, one can visualize the possibility of importing *H* by exporting goods produced with the help of *H*-conserving techniques.

In order to reach the target at the earliest, this strategy stresses the building of heavy industries pertaining to the golden age. The heavy industries are a prerequisite of an industrial society as 'in industrial societies the representative self-multiplying good and key source of production is not corn (as is the case in pre-industrial society) but the complex of heavy industries'.[4] Hence, the priority to the heavy investment in this strategy.

The basic property of this sector (called the *H*-sector, for short) is that given a subsidy of consumer goods (*C*-goods) for wage payments, it is capable of continuous reproduction at an exponential rate through a high rate of ploughback of its physical products. Thus, output of this sector can be its input so as to expand the heavy industries base at a fast rate.

By priority to heavy investment, we mean the ploughback of its physical product for its own reproduction but not just allocation of more funds out of the total investment expenditure.

The *H*-producing process in Heavy Strategy is a parasite or a dependent process because the heavy investments with long gestation periods do not produce anything for the rest of the economy in its earlier phase, and depend upon the other sectors for its consumption requirements. However, it is a benign parasite as it promises to give abundant return after the required amount of capital formation in this sector has been achieved. During this period, *i.e.*, building of heavy industries base, the consumption requirements have to be met by the operation of less-mechanized techniques, (*e.g.*, sub-economy producing corn with plough) which are the superior ones at the initial low wage levels.

4 Gautam Mathur, "Long-term Strategies of Growth", in *Optimum Magnitude—[illegible] in a Long-Term Development Plan*, Chapter III, p. 42.

Are We Adopting Heavy Strategy?

It has been claimed that we are adopting a policy of giving priority to the heavy investment sector in our planning. Accordingly, λk in the Mahalanobis model is said to represent the priority to heavy investment. But it is not mere quantum of investment expenditure which goes to heavy sector that determines priority to heavy sector, but it is the rate of ploughback for its reproduction which, according to Prof. Gautam Mathur, determines the priority to heavy investment.

On the basis of the above mentioned, it is quite clear that we have not followed the heavy investment strategy. Moreover, we have not even maintained the ploughback of heavy investment which the developed countries did. The following table supports the above mentioned discussion.

Rate of Ploughback of Heavy Industries[4]

Country	*Rate of ploughback* (in per cent)
U.S.A.	37
Italy	36
Japan	44
U.S.S.R.	43
India (1953-54)	18
India (1955-56)	22
India (1960-61)	19

The diversion of heavy industries output is high in India in relation to the advanced countries. This tendency has to be arrested and the rate of ploughback has to be raised to 70 to 75 per cent during the next 15 year period and it should be brought down to 40 to 50 per cent afterwards.

Since we are wedded to the Heavy-Investment Strategy the fiscal policy has to be geared to its needs. Thus, one of the fundamental roles that the fiscal policy has to play is to undertake the investment in the desirable manner.

4 Dr. Yadava Reddy, "Monetary and Fiscal Policy in Development-Oriented Economy", paper presented at Seminar on National Employment [illegible], Administrative Staff College of India, Hyderabad, p. 5.

FISCAL POLICY

By fiscal policy we mean the policy for imposition of taxes in view of financial resource allocation in the economy. This simple and straight-forward definition avoids the ambiguity about the nature and scope of fiscal policy as defind by other economists.[6] Here, the scope of fiscal policy is not restricted exclusively either to revenue raising or to disbursing aspects nor is the scope of revenue raising conditioned by a particular source. Further, the volume of public expenditure is not to be limited by the State's capacity to mobilize revenue mainly through taxation.

Due to the impact of Keynesian revolution, the studies in fiscal policy implicitly laid emphasis on functional finance and unbalanced budgets. The reorganization of tax structure might be the concept of functional finance. Thus, the fiscal policy studies have had a reorientation to avoid unemployment and also to attain full employment. They had a shift from the micro-economic methodologies to an analysis in aggregate terms of the economic parameters that affect the economy as a whole. In short, fiscal policy has to play a great role, in a planned development and it does not merely include the revenue raising and balanced budget functions.

TAXATION

The classical approach to taxation is to mobilize the financial resources. This is based on the logic that as savings govern the level of investment, community's savings are to be mopped up by taxation to promote investment. The Keynesian approach to the role of taxation is that, as investment is not governed by savings as such, the taxation should not be viewed to provide financial resources. Taxation need not provide finances for the investment.

The function of taxation is a developing economy is not the raising of resources of a financial nature for the treasury, but to provide inducements for physical resources to move from less desirable activities to the approved development-oriented industries.[7]

In short, the role of taxation in an underdeveloped, overpopulated country is not the raising of revenue but to undertake proper investment

6 Bent Hansen defines fiscal policy as any economic policy of a government other than monetary policy. Bent Hansen, *The Economic Theory of Fiscal Policy*, p. 38.

7 [illegible], "Strategy of Employment", paper presented at Inaugural Session of the Seminar on *National Employment Policy*, Osmania University, Hyderabad, p. 10.

allocation in various sectors of the economy so as to achieve non-inflationary steady growth. It is the balanced allocation of resources and not mere mobilization of financial resources that facilitates the achievement of non-inflationary growth.

When the role of taxation is no more than the raising of revenue (raising of revenue is the fundamental role of tax in the classical approach to the theory of public finance), the canons of taxation advocated by Adam Smith (father of Classical School of thought) do not survive except one which is the seventh in the list shown below. According to the changed role of taxation, the canons of taxation in a planned development consists of different nature.

Canons of Development Taxation

The canons of development-oriented taxation according to Prof. Gautam Mathur[8] are as follows:

(1) Canon of Revenue Irrelevance

(2) Canon of Allocation Efficiency

(3) Canon of High Avoidance and Low Evasion

(4) Canon of Functional Equality

(5) Canon of Appropriate Form of Payment

(6) Canon of Systematic Complementarity

(7) Canon of Certainty

In the foregoing discussion, it has been claimed that taxation should be used to attain non-inflationary steady growth by allocating investments in a proper fashion. Such a proper allocation of investment is termed as the 'Balanced Allocation Ratio'.

Balanced Allocation Ratio[9]

The allocation problem faces a difficulty which stems from the heavy investments of a long gestation period, such as 'hydro-electric

[8] Gautam Mathur, *Development Canons of Taxation*, Chapter V of the forthcoming as part of book (unpublished) "Report on Disparity Tax and Fiscal Policy Reforms" presented to the Planning Commission, Government of India.

[9] Gautam Mathur, "Growth Under Conditions of Chronic Parasitism" Seminar [illegible] February, 19[illegible]. Definition of Balanced Allocation Ratio in terms of Inflation-[illegible] and [illegible] investments is discussed in this article, and '[illegible] Development Policy' by the same author, *Indian Journal of Social Science*, Hyderabad, [illegible], Vol. 1 No. 1 (1971).

dams, steel mills and chemical factories which take time to build and to start effective operation.[10]

The incomes generated during the process of the construction of a heavy industrial base exert immediately or with some consumption lag, pressures on demand for consumption goods which are not immediately forthcoming by these investments. The gestation lags of investments in general education and public health are even longer. These types of long-gestation projects are also known as inflation-creating investments. On the other hand, investment in techniques for production of consumption goods which are of quick yielding nature, with low capital per man and high output-capital ratio, may be claimed as anti-inflationary or inflation-dampening investments. From the surplus of goods arising out of these (after consumption by the workers engaged in these investments) provision can be made to cater for the demand created by the inflationary investments.

It can be immediately seen that there is a certain ratio of allocation of resources among inflationary and anti-inflationary investments which would result in a non-inflationary situation. If the allocation of investments is made according to the correct balance, then whatever be the mode of financing the plan, inflation will not arise. Deficit financing can be resorted to any extent as long as investments are made in the balanced ratio. This is an important parameter of planning and is entirely unused in our Five Year Plans. In the plan and other related documents, the proportion of investment in different sectors is ignored.

If we examine the investment allocation pattern of our plans, we find that the balanced allocation ratio is not adhered to. Investments in consumer necessaries, especially food, clothing and essential housing have been neglected in the name of lack of finance. The result has been a continuous inflation due to rise in prices of foodgrains and other consumption necessaries. The index number of wholesale prices has risen to 210 in 1968-69 with 1952-53=100 whereas the index for food articles has increased to 231. Food being the basic wage good, the increase in food production has not matched the increase in demand for it.[11]

---

[10] Gautam Mathur, "Optimum Manpower Utilisation in a Long-term Development Plan" (IAMR Paper, 1964), p. 22.

[11] Yadava Reddy, "Monetary and Fiscal Policy in Development-Oriented Economy", paper presented at a *Seminar on National Employment Policy*, Administrative Staff College of India, Hyderabad (Sept. 1970), Jitendra Singh (ed.), Mimeographed [illegible] as part of book.

In our Five year Plans, investment allocations in agriculture, minor irrigation and provision for other simple inputs into agriculture, such as improved seeds, organic manures, chemical fertilizers and improved implements have not been sufficient to bring about quick and substantial increase in output. These are inflation-dampening investments. Larger allocation of these investments into these sectors was necessary to match the demand generated by the inflation-creating Investments in heavy industry, in major irrigation and power projects, in transport and communications. The ratio of inflation-dampening to the inflation-creating investments has varied between 1:4 and 1:5 during the planning period.[12] The balanced allocation ratio has to be worked out with the help of input-output matrix but, if the past experience of inflation is any indicator, this ratio has to be much higher than 1:4 and may be nearer 1:2. It may be noted that by ratio being higher it is not implied that the rate of growth of heavy investment sector would be lower. As a matter of fact, the heavy strategy ensures a high rate of growth of heavy sector and the inflation-dampening investments are carried out through methods which do not substantially put pressure on the resources of the Heavy Investment Sector.

It is evident that taxation is not to be viewed as an instrument of revenue mobilization but as a regulator of consumption and also as an instrument to drive the idle resources into the production process. We have further to view fiscal policy not in isolation but as an integral part of whole economic development. To achieve this objective we have to follow 'A Multi-purpose Tax', which is devised to restrict inessential consumption as well as to encourage activities appropriate to optimum strategy.[13]

The Disparity Tax Structure

The Disparity Tax will have 4 schedules.[14] These are:

(1) Schedule A (to penalise deviation from approved incomes);

(2) Schedule B (to penalise deviation from approved investment);

(3) Schedule C (to penalise deviation from medium quantum of consumption; and

12 M. Yadava Reddy, *op. cit.*

13 Gautam Mathur, "The Framework of Planning for Economic Growth and Social Justice, *Interdiscipline*, Gandhian Institute of Studies, Varanasi, Vol. 7, No. [illegible] Spring 1970, pp. 120-165.

14 Gautam Mathur, "The Framework of Planning for Economic Growth and Social Justice, [illegible], Oct. 1969. The details of Disparity Tax are discussed in [illegible] paper, [illegible] suggested.

(4) Schedule D (to encourage mobilization of essential commodities or assets).

Schedule 'A'—This schedule will lay down the rates of discounts on incomes earned from priority activities. The incomes from priority investments and employment would be discounted by some percentages ranging from 5 to say 20 depending upon credit or labour shortage in relation to priority needs. This discounted income would serve as the basis for calculation of consumption expenditure. As tax on consumption encourages the people to reduce consumption and invest more, the avenues of investment may be oriented to requirements of development according to the optimum strategy. This tax gives the incentive to earn to any extent as against the income tax wherein the earning at higher slabs are taxed progressively. At this level, greater part of their additional income earned will go under taxation. Thus, there is disincentive to work under income tax. the best alternative to income tax is the misconsumption tax.

As pointed out above, fiscal policy has to see that it should give incentive to reduction of consumption and encourage investment. This objective is to be achieved through Schedule A of the Disparity Tax structure.

Schedule 'B'—Schedule B lays down weights to be assigned to investments according to priorities in the optimum strategy (optimum strategy is the heavy investment strategy). Each type of investment would be multiplied by a fraction ranging from 1 to 0 which acts as weights, to calculate the notional value of investments which would then be deducted from income to compute consumption. This schedule (Schedule B) is advocated to hit at the root of inessential consumption (luxury consumption, etc.) at the investment stage itself. Thus, this schedule curtails the investment in the inessential consumption-goods sectors and encourages the investment in the priority sectors (essential consumer and producer goods) required for the optimum strategy.

Schedule 'C'—The third schedule is the operational one for tax assessment and is based on Kaldor's expenditure tax. This schedule, while showing different consumption slabs, will lay down a progressively higher tax rate on higher slabs. The lowest slab representing average essential consumption would be exempted from tax. The marginal rates for this tax can be more than 100 per cent and need not have any defined upper limit in contrast to income tax where the marginal rate in the highest slab can only be 99 per cent. Thus, this tax can be very effective for restricting inessential consumption. This schedule also

achieves the distributional justice so far as the disparities in consumption standards are concerned. For the purpose of this tax, the base is calculated by deducting notional investment (calculated on the basis of Schedule B) from notional income (calculated on the basis of Schedule A).

Schedule 'D'—This schedule classifies certain investments as the monopoly investment on the basis of some index of concentration of ownership. The most monopolistic among these will be declared as grade 1 investments and little less concentrated ownership investments as grade 2 and so on. Schedule D gives the rate of discount applicable if the tax is paid in shares of average value (say over past 3 or 4 years) belonging to different grades of monopoly investments. The main purpose of Schedule D is to induce owners of monopoly investments to transfer a part of the ownership of their firms to the government or to the public. Thus, this schedule checks the monopoly tendency which is quite essential in a socialistic pattern of society.

CONCLUSION

To sum up, it can be said that the role of fiscal policy in planned development will depend upon the strategy to be followed. Selection of strategy depends upon the initial level of population (non-employment). For a large initial population (if not too large) it is the heavy investment strategy which is the optimum one. In this strategy, priority to heavy investment has to be maintained not by merely allocating more and more funds to the heavy industries, but by maintaining the higher ploughback-ratio of heavy investment within itself. In this context, the role of fiscal policy is to obtain and maintain desired ploughback ratio. Further, the role of fiscal policy is neither the raising of revenue (as assumed by classicals) nor merely the control of inflation (as thought of by Kenyes). The role of taxation is to undertake proper allocation of resources which will not only ensure building of heavy industries but also avoid inflation. For raising funds in a non-employment (up to the reaching of near-full-employment) situation, we can resort to deficit financing to any extent, as it will not lead to inflation (contrary to the opinion of the past and some of present economists) as long as balanced allocation ratio is maintained. Tax for revenue is not suitable for controlling inflation. The effects of such a tax is to the contrary. On the other hand, its purpose is to influence the pattern of allocation so as to ensure the balanced allocation ration for non-inflationary [illegible].

To reduce the disparities in income groups and to maintain economic growth with social justice, we have to adopt the multipurpose tax policy called 'Disparity Tax Structure' for reasons mentioned above. It is concluded that fiscal policy should be viewed according to the strategy and not merely as the revenue raising and expenditure aspects of modern public finance.

TAX POLICY AND TAX ADMINISTRATION IN INDIA

B. S. Vaid

THE primary object of fiscal policy of a country has always been collection of funds by the Government out of the private funds of community to be spent through schemes of Government.

Answers to, how to, from whom to, from where to, when to and why to collect; and how to, on whom to, where to, when to and why to spend determine whether the Government is using power to tax for destroying or for building a community.

India's tax policy is directed to achieve the aspirations of her people enshrined in the Constitution, *i.e.*, to secure to all citizens of this Sovereign Democratic Republic, justice, liberty, equality and fraternity. The Directive Principles of the State Policy which are "fundamental in the governance of the country" lay responsibility on the State to promote the welfare of the people by securing and protecting, as effectively as it may, "a social order in which justice, social, economic and political, shall inform all the institutions of the national life". To achieve such an order of society, the state is enjoined to ensure "that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment".

The Government framed, discarded, reframed numerous schemes, plans and sub-plans. In the recent past, omissions, deletions, insertions, substitutions, additions, rulings and over-rulings have been so numerous and quick that citizens have started doubting the so-called fundamentals of our Constitution for which these plans and policies were only means to achieve.

In the process of implementing the will of the people the party in power brings bills in the Assemblies where vested interests mould them to their own benefit. If these bills survive the drafting of the Act, gives them jargon of classical songs to be understood by great Masters. The citizen must be in a position, atleast after some conscious effort, to understand law so that he can appreciate and discharge his

obligations. The original schemes coloured in different interests poorly drafted become a total casualty at the hands of administration and judicial pronouncements. Even then he cannot plead ignorance of the law!

MALADIES

There are basic maladies in the understanding and approach of policy framers. The criteria applicable to the measurement of growth rate in developing countries ought to be different from those applicable in developed countries. Though our planned expenditure is much more, the rate of economic growth is far less because India being a developing country has necessarily to spend considerably on socio-economic activities and on building infrastructure. The developed countries had eradicated illitracy and epidemics long time back and have already acquired high standard of technical knowledge. Money spent on such objects in economy do not have immediate effects on Gross National Product on percentage of growth as measured by economists. Our tax-policies have to develop entrepreneurship, capital accumulation arising out of savings, planning of proper priorities for investments, development of technical and managerial personnel and ability and willingness of the people for hard and sustained work in a well-regulated system. Income base is required to be measured truly and fairly. Notional and unrealistic measures of income do greater harm to tax-payers' confidence in tax system and induce tax evasion.

At present our country ranks quite low in tax effort, *i.e.*, percentage of collection to gross national product, in spite of highest marginal rates of direct taxes. Through rational rates, six to seven per cent per year growth of our National Income planned by the Government can have similar growth in the collection of taxes every year. A well-structured Tax system will automatically achieve this objective.

REMEDIES

Though all the recommendations of Prof. Kaldor on the introduction of a variety of other taxes were accepted, his basic recommendation on a low marginal rate of income-tax of 45 per cent and the suggestion of Prof. Colin Clark for a marginal rate of 50 per cent for an under-developed nation have not found any acceptance at all.

It cannot be as if the Government is unaware of the adverse consequences of the confiscatory rates. Their main difficulty appears to be more political than economic. The income-tax that is being imposed in

a democratic society, where nearly 90 per cent of the voters are uneducated and 99.5 per cent of them are non-income-tax payers, is not a tax imposed by the people on the people but by one imposed by 99.5 per cent of the people on a microscopic section without realising—and without having an opportunity to realise—its evil consequences. No responsive or responsible Government can effect any reduction in rates of taxes ignoring the political aspects. Therefore party in power has to convince the voters that any reduction in taxes is not a concession to a few rich but one that will lead to an increase in an overall production of consumer and industrial products, employment opportunities, etc., thus alleviating the miserable conditions of the poor. Unfortunately, the Government has not chosen this difficult path.

The law of average is misguiding if surrounding facts are not taken into account. When nearly 50 per cent of the national income is from agriculture over which the levy of direct taxation is hardly 1.5 per cent and indirect taxation 4.4 per cent, the inclusion of that income in the total national income and working the average for the economy as a whole, gives a distorted picture. If the total tax revenue, as a percentage of the country's total national income is 13 per cent (from 14.8 per cent of 1965-66 it has come down to 12.9 per cent in 1968-69) and if 50 per cent out of that national income which is from agricultural sector, bears a burden of hardly 6 per cent (1.5 plus 4.4 and rounded) then it results in the non-agricultural sector bearing an incidence of 20 per cent of the national income attributable to that sector, as its share of the tax burden. No wonder, the present pattern of taxation is woefully failing in the basic test of making tax yields progressively more responsive to increased incomes and facilitating an orderly development of the economy.

If this malady be removed, the taxable capacity that exists within the agricultural sector, in the hands of those having higher per capita income, should be tapped for equity and distributive justice. The recent report of the Reserve Bank on currency and finance has noted that because of major technological changes in agricultural sector fluctuations in output though not eliminated occur at higher trend level of output. The same cannot be said of industrial sector.

Economic and Scientific Research Foundation's recent study on distribution of India's agricultural income arising from crop production, reveals that agricultural income over the decade has risen from Rs. 5,852 crores in 1960-61 to Rs. 14,197 crores in 1970-71 marking an increase of 142.6 per cent compared to the 137.5 per cent of the national income.

The statistics also show that out of the total number of rural households in the country, less than one per cent had an agricultural income of more than Rs. 20,000 in 1970-71. Their combined agricultural income formed 9.8 per cent of the country's total agricultural income. Therefore, agricultural sector can give regular and certain revenue.

The politicians are avoiding to tap this source under the pretext of Constitutional difficulties because they exploit the ignorance of the rural population for their votes. Wanchoo Committee has made the following suggestions:

> "In the interest of uniformity and stability, the Central Government should assume the power to levy and administer tax on agricultural income.
>
> The Government may choose any of the following courses, as it deems feasible:
>
> (*a*) The Constitution may be amended to unambiguously empower the Union Government to impose taxes on agricultural income.
>
> (*b*) The Union Government may impose income-tax on agricultural income, provided State Legislatures empower the Union Government in this behalf by necessary resolution in accordance with the provisions of Article 252 of the Constitution.
>
> (*c*) Article 269 of the Constitution may be amended to include taxes on agricultural income in the list of taxes levied and collected by the Union, and the taxes so collected may be assigned to the States in accordance with the procedure outlined therein."

The least that should be done is to have a separate classification of agricultural income in the income tax law and impose lenient marginal rates on such income.

Since the market value of the assets is subjected to wealth-tax annually—on urban assets marginal rate is 12 per cent now—there is no justification, economic or otherwise, for the levy of capital gains tax on transfer of long-term capital assets and should be abolished. That will improve the liquidity, bring in more collection of wealth-tax, reduce the economic disparity and mobilize resources towards productive investments.

The tinkering of the tax laws, especially with retrospective effect, as often as the defection amongst the assembly members, makes investment decisions as unstable as the defectors' ministry. Project-costs

and project-estimates are upset by the frequent changes in tax-la leading to escalation of costs and consequent inevitable delay in compl tion. Production does not take place according to schedule, scarci arises and prices of that commodity rise. When various projects a affected like this the economic stability and growth are disturbe Stability and certainty imbibes confidence in all concerned.

Sur-tax affects both the efficient and the profiteering units. To th extent it affects efficient units it is a penalty. If excess profits are due t reduction in cost of production, and not due to rise in selling prices excluding in calculation of either side, the element of rise attributabl to Government levies, exemption from levy of sur-tax should be pro vided. This incentive will promote cost-consciousness and increas efficiency. It will check inflation.

The Keynesian doctrine involved today is the principle of stimulating by taxation. The tax concessions can be balanced with reduction in Governmental expenditure.

At present, states do not consider it necessary to augment their resources so long as overdrafts from Centre are available with little exertion. One is startled at the study of the figures of deficit financing of the States. The state budgets in the First Plan showed a deficit of 17 crores. It rose in the Second Plan period to 64 crores and during the Third Plan it was 43 crores. As against this, in just one year 1969-70, the budgets of states showed an aggregate deficit of 254 crores.

Increasing revenues and political acceptability have weighed more heavily with the policy makers with the Government than the considerations of long-term economic benefits. Towards beginning of Second Plan, the Government announced that the tax-mix and its system was inadequate for additional tax requirements. The tax system which prevailed at that time depended more on tax on personal and incorporate incomes and on indirect taxes like customs and excise duty. On recommendations of enquiry commissions, new tax mix like estate duty or Gift tax or Expenditure tax were introduced in the direct tax system. It was hoped that these taxes would gradually strengthen to improve tax system which was being neglected in favour of indirect taxes and taxes on annual incomes, but it came out otherwise. Expenditure tax was deleted and the revenue from estate duty and gift tax declined from year to year. Therefore, the sound tax policy unfortunately did not mature in its intentions. These taxes have lost the rightful place as today they contribute only 0.5 per cent of the total tax revenue of the centre and the States combined.

Due to inconsistent fiscal policy, it has been noticed that whereas tax receipts during the Second and Third Plan were 133.8 per cent and 68.4 per cent higher than the plan provision the surpluses from current revenues were only 3.1 per cent of the plan provision during the Second Plan and were in fact negative during the Third Plan as against a plan provision of 550 crores. The revenue secured from deficit financing also varied considerably. The deficit financing was 109.1 per cent higher during the Third Plan and 103.9 per cent higher during three annual plans in the Fourth Plan.

It is doubtful whether any indirect taxes which are increasing in volume and rates in fact restrain consumption. The people perhaps continue to buy what they need and even borrow to pay additional taxes. Therefore, major casualty in the process of securing such high indirect taxes is savings which constitute the corner stone for all growth. Such commodity taxes of the type and level impose in this country, therefore, have serious consequences on economic growth.

Reserve Bank has stated in the latest Report on the Currency and Finance that ease with which indirect taxes are shifted makes them partly the instrument of cost inflation. The Reserve Bank has stated that for supply of equity capital, private corporations have had to rely more on conversion of reserves and investments by term lending institutions than on fresh subscription by house-holds. The Reserve Bank had cautioned that pace of increase in prices has to be arrested in view of the highly liquid state of economy and the possibility of its becoming more so on account of deficit financing likely to be undertaken especially when the Planning Commission in its approach to Fifth Plan document has decided to do without placing reliance on availability of foreign aid.

For the Government the easy, though somewhat misconceived, solution appears to be to undertake, in the area of fiscal policy further measures in the nature of confiscatory taxation. For example, ceilings on property is being currently considered. This is an unsystematic wealth tax which not only does not apply the much acknowledged means test in a graduated manner but is also confiscatory in nature. Instead, it may be useful to achieve same or similar ends from a steeper and better graduated wealth tax with higher effective rates than at present. This measure can be combined with relief at both the lowest and the highest slabs of income, in order to reduce the serious disincentive effects of current rates of personal income tax.

Wanchoo Committee and even the Fourth Five Year Plan document suggested that the withdrawal of tax incentives, when their purpose

is served, can be means of mobilizing additional resources. Similarly when the purpose for which certain levies were introduced in tax system is served, the levy must also be discontinued so as to get more confidence of the public in the sincerity of government policies.

It is not apparent as to how the Planning Commission plans to measure the benefit of tax incentives against their costs in order to indicate the time for their withdrawal. As, at present, there is hardly a study which can claim to indicate, even roughly, the benefits that the economy has derived from various tax incentives provided in the past. The benefits of industrial growth, even if initiated on the basis of tax incentives, are so multiple and so widely dispersed that no method has yet been developed to aggregate these into a financial figure. In laying down such policy guidelines the planning authorities in India only seem to repeat the political fever of the day rather than grapple with the economic realities of investment and growth.

In order to give a suitable fiscal policy to the country, it is high time to establish an independent National Institute of Research charged with the responsibility of anticipating on the basis of state's fiscal policy favourable to economic growth of this country and shaping these measures to become workable in the hands of budgetary authorities and informing the Government of likely levels of revenues and expenditure under normal functioning of economy so that fiscal policy serves the social justice and maximises economic product not only for today but also for tomorrow.

TAX ADMINISTRATION

Ultimately Tax Administration creates or destroys confidence in tax policies. The ills that beset the tax administration are many and it is hardly surprising that both tax evasion and tax arrears have assumed menacing proportions. Many problems in tax administrative machinery, common to any large organization, are related to planning, coordination, communication and staffing. Besides this, tax administration—both direct and indirect—has to aim at uniformity, impartiality, certainty, simplicity, speed, system of quick redress and alertness.

These components of a good machinery of tax administration have to be used in varying degrees to check the leakage of revenue. The system of checks and balances has to take care of the morally weak in the organization.

Planning at each level with proper delegation and reporting can ensure reasonable certainty as to tax liability for a *bona fide* tax payer

and tax gatherer. Even advance rulings may be given by the Centra Board of Direct Taxes and they should be binding on the Government so that the tax policy and its implementation be evident in practice.

Coordination has to begin at the policy making level. For this purpose, reorganization in the Board's Office, to ensure unity of command and at appropriate levels, is essential. Big organization chart must work through men selected out of our community. Application of the well-known methods like inspections, manuals, instructions committees and conferences go a long way to ensure coordination and uniformity of approach in the matter of enforcement of tax laws and implementation of tax policies. Therefore, there should be comity of ideas and understanding between the policy-makers and the executives.

A person who violates one fiscal law of necessity often contravenes other allied laws. Therefore, coordination amongst the assessing department and all intelligence and investigation agencies under such laws can only guard against latest methods of tax evasion and smuggling. Coordination is impossible without communication.

Policies fail due to lack of transfer of knowledge from top to bottom, from level to level, and from revenue gatherer to revenue payer. Communication is difficult in the existing structure and activity of the Government. Laws, rules, standing orders are written to cope with situations visualized or un-visualized. In actual work the cases are direct and application of laws and their interpretation becomes matter of prolonged litigation.

As the personnel of Government and the tax payers come from the same stream of human beings brought up in the similar circumstances and surroundings, Government has to classify them in three categories. In the staff on the one hand are those who understand law and obey it because of respect for law; on the other hand are those who understand law and misuse it; between these ends is a mass of persons who hardly understand the government policies and have no faith in their implementation.

In the public, one class is of organized trading community who more often tries to understand and obey laws, and also to influence the government to make laws rational. The extremist class is that of law breakers, smugglers and tax evaders. They and the administration understand language of each other. In between the two classes is

anonymous mass of common citizens who have dealings with tax department. For this class law remains a statement with hidden meanings to be guessed. Though they are the backbone of tax system, government has failed time and again to realize their difficulties and make them understand government's policies through administration. Tax administration can never be popular with them because it takes away chunk of their bread. No amount of publicity can convince this class in department and public. It is here where public leaders can play a big role.

For staffing merit and merit alone should be the criterion for appointment to higher posts and this principle should not remain a mere theory but should be markedly evident in practice. Peon to the Chairman should be honest to the objectives of the administration.

The Wanchoo Committee has reported the causes of tax evasion and creation of black money and its proliferation as follows:

(*a*) High rates of taxation under the direct tax laws;

(*b*) Economy of shortages and consequent controls and licences;

(*c*) Donations to political parties;

(*d*) Corrupt business practices;

(*e*) Ceilings on, and disallowances of, business expenses;

(*f*) High rates of sales-tax and other levies;

(*g*) Ineffective enforcement of tax laws; and

(*h*) Deterioration in moral standards.

To remove these causes the Committee has suggested many far-reaching and drastic measures for changing the direct tax policy and its administration. Although the Committee was inclined to trust the assesses in their recommendations on tax-policies, for improving administration they have suggested a machinery in which perhaps the staff will be equal in number to the assessers. The machinery of vigilance suggested by them will break under its own burden. The Committee has tried to create very rigid barriers against the law-breakers, tax evaders and the black money holders. It may be possible that through total devaluation of currency, as was suggested in interim report of the Committee the black-money may disappear for the moment.

To my mind these are not the causes but are rather effects and indications of lack of understanding of human nature by the Government. If the processes which lead to generation of black money remain

in the system of economic activity of Indian society, black money has to grow and tax evasion will again and again appear. The only check on the black money and other undesirable practices is to have built-in checks in the economic activities voluntarily accepted by the people. These may fail during abnormal circumstances, but if the system is sound it will wash away their ill-affects. The built-in checks could be provided by creating and patronising intelligent and noble professions having strict codes of discipline. Only these can educate the people to comply with the policies of a nation and its laws, especially in a democracy.

If the confidence of the people in the policies of the Government and their administration gets shaken, then it will be right to say:

> "just as people get the Government they deserve; the Government gets the people it deserves."

Such a rat-race will throw the country back into the dark ages of history by hundreds of years. None of the stringent penalties, prosecutions can bring the desired funds to the coffers of the Government. It is the free will of the people which can provide sufficient funds to the Government for the benefit of the people.

REFERENCES

1. Constitution of India.

2. Final Report on Rationalisation and Simplification of Tax Structure by Shri S. Bhoothalingam, Government India, 1968.

3. Final Report of Direct Taxes Inquiry Committee headed by Shri Justice K. N. Wanchoo, Government of India, 1972.

4. Report of Direct Taxation Inquiry Committee (Chairman : Shri Mahavir Tyagi, M.P.), Government of India, Delhi, 1958-59.

5. Articles of Shri R. D. Shah, Chairman of the Central Board of Direct Taxes; Shri D. P. Anand, Chairman, Central Board of Excise and Customs, *Ex-officio* Additional Secretary, Ministry of Finance, Government of India, New Delhi; Shri G. Narasimhaswamy, F. C. A ; Shri S. Srinivasan, C.A.; Shri H. B. Dhondy, Shri Sumat T. Padh, A. C. A.; and Shri S. P. Ahuja, Director of Research in the Institute for Public Opinion, New Delhi.

INDIAN TAX STRUCTURE—A BRIEF REVIEW

P. K. Bhargava

IN order to raise larger revenue resources, the Union and State Governments have tried to collect larger funds through their tax efforts. They have imposed new taxes and have increased the rates of existing ones. In India, we have, thus, been able to increase the percentage of taxes to national income from about 6.6 in 1950-51 to about 14 at present. This achievement, but for certain difficulties, would have been better. It has helped the Government to increase the rate of savings and has enabled the Government to build up larger revenue surpluses.

We may, however, emphasise here that the State Governments in India are at a disadvantage in tax matters as compared to the Union Government. Firstly, the important indirect taxes of the Union Government, such as union duties of excise, are camouflaged with the price. As a result, the consumers do not know the exact amount they are paying by way of taxes. The indirect taxes of the State Governments, such as the sales tax, are shown separately and the consumer knows it specifically. Hence, the consumer realises their incidence immediately. This invites more resistance from him. Secondly, the direct taxes of the States, such as land revenue and agricultural income tax, impinge directly on the majority of population who play an important role under the right of adult franchise whereas the direct taxes of the Union Government, such as the income tax and corporation tax, affect only those segments of the society which constitute a small political minority. The Union Government has, therefore, found it easy to increase the tax load on these sectors whereas the State Governments have hesitated to tax the agricultural sector.

It is really a peculiar feature of the Indian tax system that an industrialist with an income of over rupees two lakhs gives as much as 97.75 per cent of it to the exchequer while a farmer with the same income keeps a major part of it. It is necessary to emphasize here that the two most important taxes paid by the agriculturists are land revenue and agricultural income tax. However, the fiscal importance of both these taxes has been declining [illegible]. Land revenue and

agricultural income tax formed 27.9 per cent of the revenue from State taxes in the First Plan. This percentage declined to 26 in the Second Plan, to 18.4 in the Third Plan, and further to 7.1 in 1971-72 (Budget). In 1970-71, the total yield from land revenue and agricultural income tax was Rs. 127 crores, which formed 0.85 per cent of the net output of the agricultural sector. As against this, the income tax collected was estimated at Rs. 460 crores in the same year which formed 2.6 per cent of the net output of the agricultural sector. Between 1960-61 and 1970-71, while the proportion of income and corporation tax to national income from sources other than agriculture has risen from 4.1 per cent to 4.6 per cent, the proportion of land revenue and agricultural income tax to national income derived from agriculture has declined from 1.63 per cent to 0.85 per cent. The green revolution has also improved the relative position of the agriculturists and has introduced new inequities within the agricultural sector.

The separation of agricultural and non-agricultural income for tax purpose is not only a source of tax evasion but also helps in coverting 'black' money into 'white' money. Even if the agricultural income is taxed at as high rates as other income, it is quite advantageous to have the total income divided into two parts under progressive rates taxation. The agriculturists have also benefited from the plan expenditure which is highly agriculture-oriented. Besides, the States have taken steps to provide certain facilities to the agriculturists in the form of cheaper credit, price support schemes, warehousing facilities, etc. It is, therefore, necessary that additional resources should be raised from the agricultural sector to ensure equity in taxation and to accelerate the pace of economic development. However, it is a difficult problem of the Indian tax system as the Union Government is prohibited in the Indian Consitution from taxing agricultural land or income. The structure of federal finance in India has, thus, encouraged the growth of inequities in the Indian fiscal system and some adjustments are called for. It is a happy augury that a Committee, under the Chairmanship of Dr. K. N. Raj, has been set up to examine, among other things, the bifurcation of tax jurisdiction between agricultural and non-agricultural incomes.

There is yet another serious flaw in the Indian fiscal system. The richer States do not necessarily have higher per capita tax incidence and disparity exists even among those States whose per capita income is the same. The fifth Finance Commission rightly made the following observation: "The percentages are widely different even among those States with a similar level of *per capita* income. For instance, among the States with higher *per capita* income, while Maharashtra and

Punjab raised more than 8 per cent of their incomes as tax revenues, West Bengal with a similar industrial base as Maharashtra obtained only 6.2 per cent. Among the other four States with *per capita* income above the all-India average, Tamil Nadu raised 7.8 per cent, while Andhra Pradesh and Assam got only a little over 5 per cent." There are wide disparities among States even with regard to per capita incidence of individual taxes. While the per capita income (average for 1962-63 to 1964-65) of Uttar Pradesh was Rs. 306 which was substantially lower than the per capita income of Punjab at Rs. 492, Uttar Pradesh had the highest per capita incidence of land taxes at Rs. 3.03 in 1967-68, and the per capita revenue from taxes on land for Punjab was only Rs. 1.38 in that year. Orissa with the same level of per capita income as that of Uttar Pradesh had only Re. 0.83 as the per capita revenue from land taxes in that year. This is also true regarding other taxes. For instance, Maharashtra had the highest per capita revenue from general sales tax at Rs. 14.09 in 1967-68 whereas for Punjab it was Rs. 9.34 during the same year while the per capita income of Punjab was Rs. 492 as compared to the per capita income of Maharashtra at Rs. 478. Similarly, Orissa and Uttar Pradesh had the same per capita income at Rs. 306 which was slightly higher than the per capita income of Jammu & Kashmir at Rs. 302; however, the per capita income from general sales tax in 1967-68 for Uttar Pradesh stood at Rs. 4.10 while for Orissa and Jammu & Kashmir it was Rs. 3.69 and 2.57 respectively. These data make abundantly clear that there is some evasion or leakage of revenue in tax system of those States whose per capita income is higher but per capita tax incidence is lower as compared to other States. It is, therefore, necessary that the tax structure of individual States should be thoroughly scrutinized and steps should be taken to exploit effectively the available sources of tax revenue.

Predominance of indirect taxation is another feature of the Indian tax system. There is, however, no dictum regarding the proportion of direct and indirect taxes but in underdeveloped countries, such as India, indirect taxes occupy an important place for a number of reasons. Firstly, the per capita income of people is low, therefore, they do not fall within the net of direct taxes. It may be emphasized here that in India only one in about 450 persons is assessed for income tax, and that income tax assessees form about 0.2 per cent of the population as against about 35 per cent in the U.K., and 27 per cent in the U.S.A. Secondly, the cost considerations also prohibit the collection of revenue from poor people through direct taxes. Thirdly, there is less resistance for indirect taxes as they are generally camouflaged in the price of the stuff [illegible]. For these reasons, we find that the importance of Union duties of excise and sales tax is increasing rapidly.

In the sphere of Union taxes, Union excise duties are the most important source of revenue. The share of Union excise duties in the total tax revenue of the Government of India increased from 16.7 per cent in 1950-51 to 44 per cent in 1971-72 (Budget). During the same period, the revenue from Union excise duties increased by 2,963 per cent, from customs by 240 per cent, from income tax by 269 per cent and from all taxes by 665 per cent. These data clearly indicate the growing importance of union excise duties in the tax structure of the Government of India and suggest that in future they will continue to be an important source of revenue.

In the tax structure of the State Governments, sales tax is the most important source of revenue. The share of sales tax in the total revenue from State taxes increased from 26.9 per cent in 1950-51 to 50.2 per cent in 1971-72 (Budget). On the other hand, the share of land revenue declined from 22.5 per cent to 6.3 per cent. During this period revenue from sales tax increased by 1,245 per cent, from land revenue by 102 per cent, from agricultural income tax by 160 per cent, from stamp duties and registration charges by 400 per cent and from all taxes by 621 per cent. These data demonstrate the elastic nature and predominance of sales tax in the sphere of state taxation. These data also indicate the States' reluctance for further extension of the scheme of additional duties of exicse for sales tax.

Incentive taxation is an essential feature of the Indian fiscal system. Various incentives have been incorporated in the Indian tax structure to encourage savings, investments and exports, etc. Individuals and Hindu undivided families get substantial relief, up to certain specified limit, in the form of contributions to Government and recognized provident funds, cumulative time deposits in Post Offices and life insurance permium. The Union budget for 1970-71 provided that income from interest on the Units of the Unit Trust of India and that from dividend on shares and debentures of Indian Companies up to Rs. 3,000 will be exempted from income tax from the assessment year 1971-72. Formerly, this limit was Rs. 2,000. The Indian tax structure incorporates some other tax incentives also to encourage saving and investment. For instance, in December 1964, the Union Finance Minister announced a scheme of tax-free tax credit certificates; the scheme was, however, abolished with effect from April 1, 1970. The Union Government has instituted a scheme of Public Provident Fund, under the Provident Fund Act 1968, with a view to mobilising personal savings and providing an opportunity for long-term savings to all sections of the society, especially the self-employed persons. The budget proposals for 1963-64 included a compulsory scheme (also

known as Compulsory Deposit Scheme) with the object of increasing resources of the Government and imposing additional saving on all sectors of the economy. This scheme was abandoned in 1964-65 when it was substituted by the Annuity Deposit Scheme. The Finance Act, 1968, abolished the Annuity Deposit Scheme as it involved a lot of administrative work. We may emphasize here that these instances show how hastily the changes are made in our tax structure which introduce instability in the tax system, which is beneficial neither to the Government nor to the tax payers. Moreover, in the absence of availability of adequate data, it is very difficult to say if the incentives incorporated in the Indian tax structure have really helped in creating substantial savings in the economy because these incentives have benefited mostly the people in larger income brackets, who have used these tax relief measures to reduce their tax liability. We think that this is a field for further investigations for the fiscal theorists and requires some more researches to be dope to arrive at a definite conclusion.

Industrial undertakings are also given certain tax incentives in the form of tax holiday and development rebate. Besides these, the companies that produce or manufacture any of the articles specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, benefit from the tax credit certificates schemes. Industrial undertakings that employ displaced persons from Pakistan or repatriates from Ceylon, Burma and Mozambique or any other foreign country are given tax concessions. Industrial undertakings benefit from some other tax concessions also. It may be emphasized here that the Government has given these tax incentives concessions to the corporate sector to promote industrial development of the country. However, the real purpose is not achieved by these as the tax incidence on the corporate sector is very high in our country. The maximum corporate tax rates in India are higher than even some of the advanced countries of the world. While in India, the maximum statutory tax rates on companies vary between 60 per cent to 75 per cent (including surtax), the maximum tax rates on companies are 12.5 per cent in Hong Kong; 18.7 per cent in the United Arab Republic; 20 per cent in Turkey; 25 per cent in Korea, Laos and Thailand; 50 per cent in Canada, France, New Zealand, Pakistan and Kuwait; 52 per cent in Austria; and 54 per cent in the U.K. We may also emphasize here that the Indian corporation tax is progressive and this progressiveness exists because of the sur-tax which is charged on the 'excessive' profits of the companies.

The Government appears to have realized this fact and it was, perhaps, for this reason that the corporate sector was kept outside the tax net in the Union Budget for 1970-71. However, the Union Finance

Minister, in the budget for 1971-72, withdrew some of the concessions adversely affecting the corporate sector. In my opinion, the blanket withdrawal of development rebate on new plants and machinery installed after 31st May 1974 and the narrowing down of the list of priority industries together with reduction in their tax-free profits was a hasty measure as it will reduce resources available for industrial expansion and would give a serious setback to industrial growth of the country. The development rebate had helped substantially the industrial development of the country and it took care, at least partially, of appreciation in the cost of plant and machinery for the purpose of replacement, rehabilitation and modernization. In view of the progress already achieved in the industrial sphere, we think that instead of giving development rebate to all industries, this facility should be given on a selective basis to industries that are essential for economic growth or which help to increase exports or encourage import substitution. The Planning Commission should conduct research in this direction on a regular basis and advise the Government from time to time. However, it may be emphasized here that it is in the broader national interest that the structure of corporate taxation should be geared to accelerate capital formation and industrialization of the country.

One of the most serious lacunae of the Indian fiscal system is that *ad hoc* changes are made in the tax structure almost every year and a number of these changes have been made with remarkable rapidity. The annual Finance Act, which incorporates the various changes in the existing tax structure, usually runs into 70 or 80 pages, and the knowledge of tax laws becomes obsolete pretty soon. It is unfortunate that tax rates are changed very frequently and every year the Finance Minister considers it almost necessary to make some changes in the tax structure. New taxes are imposed and they are abolished/replaced after a short time. For instance, the budget proposals for 1963-64 included a compulsory scheme (also known as the Compulsory Deposit Scheme) but it was abandoned in 1964-65 when it was substituted by the Annuity Deposit Scheme. The Finance Act, 1966, abolished the Annuity Deposit Scheme. The expenditure tax was imposed from 1957-58 but was abolished with effect from April 1, 1962, and was revived again from the assessment year 1964-65. The Expenditure Tax Act, 1957, was, however, abolished with effect from April 1, 1966. This is also true regarding the State Taxation. The State Governments have also hastily imposed and abolished the taxes. For instance, the Government of Uttar Pradesh introduced the profession tax from April 1, 1966, but abolished it with effect from April 1, 1971. These instances show the hasty decisions of the Union and State Governments regarding tax matters. Shri Bhoothalingam rightly observed that, "More often than

not new taxes or other types of fiscal changes are introduced to subserve the needs of the moment and are grafted on to the existing body without enough regard for compatibility or consistency." It may be emphasized here that instability in the tax rates and frequent changes in tax structure create uncertainty in the minds of tax payers savers and investors. It causes undesirable fluctuations in levels of income and unemployment. It is, therefore, suggested that tax structure and tax rates should be kept stable (at least for a period of five years) after ensuring revenue elasticity so that the tax revenue increases automatically with the generation of additional income. A stable tax structure is also necessary to encourage increase in savings and investments in a developing economy and to ensure wise planning of private investment.

The structure of federal finance in India has encouraged the growth of new inequities in the Indian fiscal system. The Government has found it easy to increase the tax burden on direct tax payers who are a political minority. It may be emphasized here that marginal tax rates in our country are perhaps the highest in the world and cover relatively lower levels of income. The present marginal rate of income tax on slabs exceeding Rs. 2 lakhs is as high as 97.75 per cent (including a 15 per cent Union surcharge on basic rate of income tax). Against this, the maximum marginal rate of personal income tax is only 45 per cent in France (on earned income), 53 per cent in Germany, 65 per cent in Sweden, and 70 per cent in the U.S.A. and Pakistan. It may be mentioned here that the Government does not have the administrative competence to enforce these high rates (except on the honest tax payers). Such high rates of taxation have not only encouraged tax evasion but have introduced inequity in the burden of taxation between honest and dishonest tax payers. These high rates of taxation have tended to narrow the gap between honest tax payers and less well-to-do sections of the society but have widened the gap between dishonest tax payers and less well-to-do sections of the society. These high rates have also diverted funds from productive investment to conspicuous consumption and have encouraged black-marketing, corruption and bribery.

DIGEST OF REPORT

INDIA, FINAL REPORT OF DIRECT TAXES ENQUIRY COMMITTEE (Chairman: Shri JUSTICE K. N. WANCHOO), Delhi, Manager of Publications (Government of India), 1971, p. 315, Rs. 9.

By a resolution dated March 2, 1970, the Government of India constituted a Direct Taxes Enquiry Committee under the Chairmanship of Shri Justice K. N. Wanchoo, Retired Chief Justice of Supreme Court of India. The other members of the committee were:

1. Shri M. P. Chitale;
2. Shri S. Prakash Chopra;
3. Shri P. C. Padhi; and
4. Shri D. K. Rangnekar.

Shri S. Narayan, Commissioner of Income-tax, was the Secretary to the Committee.

The Committee was required to:

(*a*) recommend concrete and effective measures:

(*i*) to unearth black money and prevent its proliferation through further evasion;

(*ii*) to check avoidance of tax through various legal devices, including the formation of Trusts; and

(*iii*) to reduce tax arrears.

(*b*) examine various exemptions allowed by the Tax Laws with a view to their modification, curtailment or withdrawal.

(*c*) indicate the manner in which tax assessment and administration may be improved forgiving effect to all its recommendations.

The committee submitted its interim report towards the end of 1971 and the final report on December 24, 1971. A summary of observations and [illegible]tions of the final report is given below.

BLACK MONEY AND TAX EVASION

Introductory

(*i*) The term 'Black Money' not only stands for money earned by violating legal provisions—even social conscience—but also suggests that such money is kept secret and not accounted for.

(*ii*) It is generally used to denote unaccounted money or concealed income and/or undisclosed wealth, as well as money involved in transactions wholly or partly suppressed.

(*iii*) Tax evasion and black money are closely and inextricably inter-linked. While tax evasion leads to the creation of black money, the black money utilized secretively in business for earning more income inevitably leads to tax evasion.

(*iv*) Black money is like a cancerous growth in the country's economy.

(1) *Extent of Black Money and Tax Evasion*

(*i*) Attempts to estimate and study tax evasion suffers from some basic infirmities owing to insufficiency or non-availability of reliable data.

(*ii*) On the basis of the data available, the estimated income on which tax has been evaded would probably be Rs. 700 crores and Rs. 1,000 crores for the years 1961-62 and 1965-66 respectively.

Projecting this estimate further to 1968-69 on the basis of the percentage of increase in the national income from 1961-62 to 1968-69 (during which period the national income increased nearly 100 per cent), the income on which tax was evaded for 1968-69 can be estimated at a figure of Rs. 1,400 crores.

(*iii*) The extent of income tax evaded during 1968-69 would be of the order of Rs. 470 crores, being one-third of Rs. 1,400 crores. The money value of deals involving black money may, therefore, be not less than Rs. 7,000 crores for 1968-69.

(*iv*) The tax evaded income is not all lying hoarded which can be seized by the authorities; much of it has been either converted into assets

or spent away in consumption or else is in circulation in undisclosed business dealings.

(2) *Avenues for Black Money*

Black money is found widely used for conducting concealed business transactions, smuggling gold and luxury articles, purchasing illegally quotas and licences at premia, financing secret commissions, giving donations to political parties, acquiring assets in benami names, etc. Behind the vulgar display of wealth which is evidenced by ostentatious living and lavish expenditure on weddings, festivals, etc., is the scourage of black money.

(3) *Causes of Tax Evasion, Creation of Black Money and its Proliferation*

(*a*) High rates of taxation under the direct tax laws.

(*b*) Economy of shortages and consequent controls and licences.

(*c*) Donations to political parties.

(*d*) Corrupt business practices.

(*e*) Ceilings on and disallowances of business expenses.

(*f*) High rates of sales-tax and other levies.

(*g*) Ineffective enforcement of tax laws.

(*h*) Deterioration in moral standards.

(4) *Measures for Unearthing Black Money*

(*i*) *Measures suggested in the interim report*

An interim report was submitted to the Government towards the end of 1970, recommending therein some important steps of a radical nature for immediate implementation. After detailed deliberations and careful consideration, the Committee is still fully convinced about the efficacy and feasibility of the measures recommended in the interim report.

(*ii*) *Voluntary disclosure scheme*

A voluntary disclosure scheme is an extraordinary measure meant for abnormal situations, such as after a war or at a time of national crisis. Resorting to such a measure during normal times, would only shake the confidence of the honest tax payers in the capacity of the Government to deal with the law breakers. Anymore disclosure schemes would not only fail to achieve the intended purpose of unearthing black money but would have deleterious effect on the level of compliance among the tax paying public. The idea of introduction of any general scheme of disclosure either now or in future is, therefore, strongly opposed.

(*iii*) *Settlement machinery*

In the administration of fiscal laws, a rigid attitude needlessly proliferates litigation and holds up collections. There should, therefore, be a provision in the law for a settlement with the tax payer at any stage of the proceedings.

To ensure that settlements are fair, prompt and independent, they may be entrusted to a separate body to be called the Direct Taxes Settlement Tribunal. Its members should be given the same status and emoluments as the members of the Central Board of Direct Taxes.

Any tax payer will be entitled to move a petition before the Tribunal for settlement of his liability. The Tribunal will, however, proceed with the petition only if the Department raises no objection to its being so entertained. The Tribunals award will be binding both on the petitioner and on the Department.

Persons who are known for their integrity and high sense of justice and fairness, should be selected for appointment on the Tribunal.

(*iv*) *Bearer bonds and Swiss type bank accounts*

It is not worthwhile to experiment with the bearer bonds or the Swiss type of bank accounts in India.

(*v*) *Canalizing black money into certain specified fields*

Sponsoring official schemes for canalizing black money into [illegible] social and other fields of activity will not be desirable.

(*vi*) *Searches and Seizures*

The Department should make an increasing use of its powers of searches and seizures in appropriate cases.

(*vii*) *Changes recommended*

(*a*) The power of authorizing searches and seizures should be available to the Inspecting Assistant Commissioners as well.

(*b*) The existing powers of search under the Income Tax Act should be extended to cover persons, vehicles and vessels.

(*c*) The law may be amended to permit retention of seized assets in order to meet the liability of interest and penalty in addition to the tax that may become due on the estimated undisclosed income.

(*d*) The law may be amended to raise a presumption to the effect that, unless proved to the contrary by the assessee, the assets which are seized in the course of a search will be deemed to represent the concealed income and wealth of the previous year immediately preceding the date of search.

(*e*) The law may be amended to provide a rebuttable presumption both for estimating the undisclosed income and also for prosecution of an assessee or an abettor.

The power of search must be backed by a far better system of intelligence than what obtains to-day.

(5) *Measures to Fight Tax Evasion*

(*i*) *Reduction in tax rates*

Prevalence of high tax rates is the first and foremost reason for tax evasion, because this is what makes the evasion so profitable and attractive in spite of the attendant risks.

If public conscience is to be aroused against tax evasion and if tax evaders are to be ostracised by the society at large, the public needs to be convinced that tax evasion is anti-social.

The high rates of taxation create a psychological barrier to greater effort and undermine the capacity and the will to save and invest.

The present high level of taxation leaves the Government with little scope for manoeuvrability for raising additional resources in times of emergency.

The maximum marginal rate of income tax, including surcharge, should be brought down from its present level of 97.75 per cent to 75 per cent

The following rates schedule is recommended for adoption:

Income slab	*Rate of tax*
0—5000	Nil
5,001—10,000	10%
10,001—15,000	500 plus 15%
15,001—20,000	1,250 plus 20%
20,001—25,000	2,250 plus 25%
25,001—30,000	3,500 plus 35%
30,001—40,000	5,250 plus 45%
40,001—50,000	9,750 plus 50%
50,001—60,000	14,750 plus 55%
60,001—70,000	20,250 plus 60%
Over 70,000	26,250 plus 65%

(Surcharge @15% in respect of income over Rs. 15,000.)

(ii) Minimization of controls and licences

A committee of experts should be appointed to enquire into the utility of all existing controls, licencing and permit systems, and suggest elimination of such of these as are no longer considered necessary.

(iii) Regulation of donations to political parties

There is need to keep political institutions free of corruption. Removal of the ban on donations by companies to political parties is, therefore, not favoured.

Reasonable grants in aid should be given by the Government to national political parties and suitable criteria should be evolved for

recognizing such parties and determining the extent of grant-in-aid to each of them.

Donations by tax payers other than companies to recognized political parties should be allowed as a deduction from the gross total income, subject to certain restrictions.

(iv) Creating confidence among small tax payers

The practice of being too meticulous in small cases has done much to damage the image of the department in the public eye.

The instructions issued by the Central Board of Direct Taxes on the new procedure for making assessments in small income cases make a bold departure from the past and are likely to achieve more significant results than the earlier small income scheme. The basic criteria for selecting cases for annual scrutiny should be uniform throughout the country. The work may be so programmed and the manpower supplemented, if necessary, so as to ensure that at the end of each financial year, the carry over of work should not be more than what can be disposed of in the next four months.

The Department should mail the return forms together with instructions for filling them to all existing tax payers on the General Index Registers, in the first week of May, every year.

(v) Allowance of certain business expenses

Entertainment expenditure which is incurred primarily for the furtherance of the tax payer's business and is directly related to its active conduct should be allowed to be deducted up to the ceilings prescribed under section 37(2A) of the Income Tax Act, 1961.

(vi) Changes in penal provisions

Penalty serves its purpose only so long as it is within reasonable limit.

A penalty based on income instead of tax hits the smaller tax payers more harshly.

The quantum of penalty imposable for concealment of income should be with reference to the tax sought to be evaded, instead of the

income concealed. Moreover, the minimum penalty imposable for concealment of income should be the amount of tax sought to be evaded and the maximum penalty imposable should be fixed at twice the said amount.

In cases where the concealed income is to be set off against losses incurred by an assessee under other heads of income or against losses brought forward from earlier years, and the total income thus gets reduced to a figure smaller than the concealed income or even to a minus figure, the tax sought to be evaded should be calculated as if the concealed income were the total income.

An Explanation to section 27(1) of the Income Tax Act, 1961 may be inserted to clarify that where a tax payer's explanation in respect of any receipt, deposit, outgoing, or investment is found to be false, the amount represented by such receipt, etc. shall be deemed to be income in respect of which particulars have been concealed or inaccurate particulars have been furnished, within the meaning of section 27(1)(c) of the Income Tax Act, 1961.

Where an assessee does not file a return of income within the normal period of limitation for completion of assessment, and the Income-tax Officer establishes that he had taxable income, the assessee should be deemed in law to have concealed his total income for the purpose of section 27(1)(c) of the Act, notwithstanding that he had subsequently, in response to notice under section 148, filed a return stating his correct income. This will apply only to those who have not hitherto been assessed.

Where a return of income is filed beyond the time prescribed under section 139(2) or section 148 of the Act, but within the time allowed, if any, by the Income-tax Officer, the assessee should be liable to pay interest at the rate of one per cent per month on the tax due for the period of delay.

Where a return of income is filed beyond the time limit prescribed under section 139(2) or section 148 and also beyond the time allowed, if any, by the Income-tax Officer, the assessee should be liable to pay interest at the rate of one per cent, per month and, in addition, penalty at the rate of one per cent, of the tax due for every month during which the default continued.

Where a person fails to submit a return of income in response to a notice under section 139(2) or section 148 and an assessment [illegible]

income is found to be above taxable limit, he should be liable to pay interest at the rate of one per cent, per month and, in addition, penalty at the rate of one per cent of the tax due for every month during which the default continued. He should also be liable to prosecution.

In the case of a person not hitherto assessed to tax, where the failure has continued beyond the normal period of limitation for completing the assessment under section 143, he should, in addition to interest, be liable to a penalty under section 27(1)(c), as recommended earlier, as also prosecution.

Penalty for concealment of wealth should be restricted to only those cases where there is a total omission to include an asset in the return of net wealth. Further, in order to avoid gross under-valuation, the Government may be given the power to acquire the properties, which are considered to be grossly under-valued, on payment of the value put by the assessee plus 15 per cent thereof by way of compensation.

The minimum penalty for concealment of wealth under the Wealth-tax Act, 1957 should be equal to the tax sought to be evaded and the maximum penalty should be five times the tax sought to be evaded.

All the direct tax laws should contain a provision enabling the Commissioner to mitigate or entirely remit any penalty, or stay, or compound any proceedings for recovery thereof, in cases of genuine hardship.

Where a return of income is filed belatedly by an assessee and his income in no year, during a period of four years immediately preceding the year, exceeded Rs. 15,000, the Income-tax Officer should be under a statutory obligation to consider waiver of reduction of both penalty and interest and should record a note giving reasons for the decision taken by him in the matter.

The present policy of having a statutory minimum for penalties has, on the whole, had salutary effect and it should, therefore, continue.

(vii) *Vigorous prosecution policy*

The Department should completely reorient itself to a more vigorous prosecution policy in order to instil fear and wholesome respect for the tax laws in the minds of the tax payers. Further, where there is a reasonable chance of securing a conviction, the tax dodger should invariably be prosecuted.

While the power to compound offences presently available to the Department may continue, it should be used very sparingly. Flagrant cases of tax evasion, particularly of the persons in the high income brackets, should be pursued relentlessly.

The definition of 'principal officer' for the purposes of signing of the return should be amended so as to provide that the return of income of a limited company should be signed by a person mainly responsible for the management or administration of the affairs of the company. In other words, the liability for signing the return should be fixed primarily on the managing director, failing which on the working director. Similarly, in the case of a partnership, the responsibility to sign the return should rest on the managing partner or the partner incharge of the financial affairs of the firm.

The choice of person, who should be proceeded against, should be left to the discretion of the Commissioner of Income-tax.

A provision on the lines of Section 7201 of U.S. Internal Revenue Code (re-produced below) will be extremely helpful in countering devices of tax evaders:

> "Any person who wilfully attempts in any manner to evade or defeat any tax imposed by this title or the paymet thereof shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both, together with the costs of prosecution."

The Income Tax Act, 1961, should be suitably amended to provide that if any person contravenes any provision of the Income Tax Act, or abets any such contravention or fails to comply with any of its provisions, he shall be liable to a penalty not exceeding Rs. 1,000 in case no express penalty is elsewhere provided for such contravention or failure.

The Department itself should be empowered to impose penalties in cases of offences for which monetary fines are prescribed under section 276 of the Income Tax Act, 1961. This section may be deleted from the chapter dealing with 'offences and prosecutions' and may be incorporated with suitable amendment in the chapter dealing with 'penalties imposable'.

The penalties suggested above should be [illegible] by officers not below the rank of an Inspecting Assistant C[illegible]. The [illegible]

imposing penalty may be made appealable to the Appellate Tribunal by making suitable amendment in the Income Tax Act.

The law may be suitably amended to exclude the time spent on prosecution, from the institution of the complaint to its final disposal, from the period of limitation prescribed for making an assessment or reassessment.

Certain magistrates and judges should be specially empowered to try prosecution cases connected with the direct tax laws, so that these cases are heard and decided expeditiously.

For the present, it would be adequate if each Commissioner of Income tax is provided with a panel of competent lawyers having necessary experience in dealing with criminal cases, so that the complaints are promptly filed and are carefully pursued.

(*viii*) *Intelligence and Investigation*

There is a need for complete re-orientation in the Department's approach to its methods of intelligence and investigation.

Intelligence and investigation should receive exclusive attention of a senior Member of the Central Board of Direct Taxes, and the Member concerned should be freed of all other work. This Member should be designated as Member (Intelligence and Investigation). He should lay down the policy in matters relating to intellignce and investigation, indicate the lines on which efforts of the officers working in these fields should be directed and provide them with overall guidance and supervision. He should, however, be assisted by two senior officers of the rank of Additional Commissioners. They may be designated as Director Intelligence and Director (Investigation). In addition, he should be assisted by a group of specialists for developing expertise.

The present Directorate of Inspection (Investigation) should be abolished.

As regards the organizational pattern at the Commissioner's level, the ideal position would be to create a separate division for intelligence and investigation under each Commissioner of Income Tax. However, in major cities, like Bombay, Calcutta, Delhi and Madras, looking to the workload involved, the intelligence and investigation work should be assigned to Commissioners of Income-tax (Central).

In the matter of transfer or re-transfer of cases to Central Circles, the views of the Commissioner (Central) should alone prevail as it will be his responsibility to work up an adequate number of tax fraud cases every year.

The functions to be assigned to the Income-tax Officer (Intelligence) may be divided broadly into three groups. Firstly, one or more Income-tax Officer (Intelligence) should be put on the job of procuring general information likely to be useful in detecting concealment. The second group of Income-tax Officers (Intelligence) should devote themselves exclusively to specific cases of tax dodgers. The third group of Income-tax Officers (Intelligence) will follow up the leads in cases suspected of serious tax fraud, process for them prosecution and pursue them till the stage of conviction. Where an Income-tax Officer (Intelligence) has made elaborate enquiries in a particular case over a long period, the jurisdiction for assessment over such a case may be assigned to him.

The officers of the Intelligence Wing should be supplied with requisite equipment, like magnifying glasses, tele-photo cameras, tape recorders, photo-stat machines, ultraviolet and infra-red lamps and micro filming apparatus, etc.

To enable the Intelligence Wing to cope with the enlarged activities as proposed, adequate funds should be placed at its disposal.

The present field assistance to officers should be increased and the Inspectors should frequently go out *suo moto* to scout for information from various sources. If necessary, the strength of Inspector should be suitably increased.

The intelligence organization has to be accompanied by an equally powerful wing for thorough and complete investigation of suspected cases.

In order to improve the quality of investigation, the Inspecting Assistant Commissioners should be drafted for assessment of big cases so that their experience is available for meeting the challenge of the toughest tax evaders.

The officers selected to man the intelligence and investigation job should be imparted thorough and intensive training. The Central Board of Direct Taxes should also circulate a confidential quarterly report giving these officers guidance on techniques of investigation and details of actual cases of remarkable detection and

In view of the prevailing large-scale tax evasion, it would not be desirable to put an end to the practice of giving monetary inducements to informers. At the same time, it is equally necessary for the Department to ensure that undesirable informers are kept away by prosecuting persons giving false information.

While there should be no fixed percentage for payment of rewards, the rules may stipulate that if information furnished by an informer is correct and leads to additional tax, or is otherwise useful in checking tax evasion, the Commissioner of Income-tax and the Central Board of Direct Taxes may, in their discretion, pay rewards up to Rs. 5,000 and Rs. 25,000 respectively.

A specific statutory provision should be made to exempt rewards to informers from tax. This would not only continue the existing inducement available to them but also preserve the secrecy of information and anonymity of the informers.

Instead of constituting a separate cadre, the personnel for the intelligence and investigation division should be selected out of the general cadre on the basis of high integrity, proven ability and special flair for investigation.

The Department should widely publicise in newspapers, by way of paid advertisements if necessary, factual details of searches, seizures and prosecutions, without waiting for the result of appeals; and for this purpose, the law may be suitably amended.

(*ix*) *Taxation of Agricultural Income*

Agricultural income, which is, at present, outside the Central tax net, offers plenty of scope for camouflaging black money.

There is urgent need for agricultural income being subjected to a uniform tax more or less on par with the tax on other incomes so as to eliminate the scope for evasion of direct taxes imposed by the Union Government. It is also necessary on grounds of equity and distributive justice.

In the interest of uniformity and stability, the Central Government should assume the power to levy and administer tax on agricultural income by suitably amending the constitution or by resorting to the provisions of Articles 252 and 269 of the Constitution.

(*x*) *Unexplained expenditure*

A separate legal provision analogous to sections 69, 69A and 69B may be made in the Income Tax Act, 1961, which would enable the tax authorities to bring to tax the amount of 'unexplained' expenditure.

(*xi*) *Substitution of sales-tax by excise duty*

The best way to get over the problem posed by the existing sales-tax systems would be to replace sales-tax levy on various commodities as far as possible, by additional duty of excise, but in the selection of commodities, care should be taken to minimise the cascading effect on prices. As sales tax will still continue to be levied on some commodities, there should be greater coordination between the Income-tax authorities and the Sales-tax authorities in the matter of exchange of information, collection of intelligence about evasion of these taxes and also in taking preventive measures for checking tax evasion.

(*xii*) *Compulsory maintenance of accounts*

A statutory provision may be made requiring maintenance of accounts by all persons in profession, and by businessmen where the income from business is in excess of Rs. 25,000 or turnover or gross receipts are in excess of Rs. 2.5 lakhs in any one of the immediately three preceding years.

The law should provide that ledgers and cash book should be preserved for a period of 16 years and other accounts and records for 8 years.

(*xiii*) *Compulsory audit of accounts*

A provision may be introduced in law, making presentation of audited accounts mandatory in all cases of business or profession where the sales/turnover/receipts exceed Rs. 5 lakhs or the profit before tax exceeds Rs. 50,000.

(*xiv*) *Permanent account number*

The absence of uniform system of indexing all tax payers on a permanent basis has been responsible for the difficulties experienced by the Department in tackling tax evasion. A system of [illegible] numbers should, therefore, be introduced. Numbers should be

allotted only to the tax payers who are already on the registers of the Department or who come on to the registers subsequently but there should be a provision to enable any one desirous of obtaining an account number to do so.

Account numbers once allotted should remain unchanged as long as the entity continues to exist as such.

A 'Records Locator Code' should also be introduced to help locate the records of a tax payer when the case is transferred from one circle to another.

The scope for extending the requirement of quoting the permanent numbers of account in various types of transactions (some such transactions suggested are given below) is very wide but it would be desirable to make a small beginning and widen the field gradually:

(*a*) Sale, purchase gift or mortgage of immovable properties over prescribed value;

(*b*) Applications for licences, contracts, etc., where at present production of income tax verification certificates is administratively prescribed;

(*c*) Opening of new bank accounts and specified bank transactions over prescribed limits; and

(*d*) Shareholders' registers, invoices, cash memos, credit and debit notes and business letterheads.

(xv) *Power of survey*

The Income Tax Act may be amended to enable the Income Tax Officer to visit any premises for counting cash, verifying stocks and inspecting accounts or documents. The powers of survey may also be conferred on the Inspecting Assistant Commissioners.

To ensure comprehensive and continuous survey on rotational basis, adequate number of survey circles should be set up.

Collection, collation and dissemination of information

The Central Board of Direct Taxes should lay down each year a programme and specify targets for collections, collation and dissemination of information. The sources to be tapped should be decided

at the national level by the Board, to be followed and implemented strictly at all levels.

(xvi) Coordination between banks and Income Tax Department

Tax payers should be required to quote their permanent account numbers in applications for bank drafts, mail transfers, telegraphic transfers, etc., if the amount involved in such transactions exceeds Rs. 5,000.

The banks should be required, under a statutory obligation, to report to the Reserve Bank of India all financial transactions in cash over Rs. 25,000 which, in the judgment of the banking company concerned, are suspicious or unusual.

(xvii) Changes in the form of Income-tax return

The form of return of income should be more elaborate by incorporating a schedule of exempted income, net worth, personal expenditure and other out goings.

A provision should be made that the validity of proceedings cannot be questioned for want of form or affected by reason of a mistake defect or omission therein.

(xviii) Re-introduction of Expenditure Tax

Introduction of an expenditure statement as a part of the form of return of income should be quite effective in checking evasion through consumption expenditure, without disturbing the existing tax structure.

(xix) Uniform accounting year

The adoption of a uniform accounting year will facilitate investigation and cross-verification of transactions and restrict the scope for collusive manipulations.

(xx) Checking under-valuation of immovable properties

It would be expedient for the Government to assume powers to acquire immovable properties in case of under-statement of cost of construction. This could be adopted after the Government has had such experience of acquisition of immovable properties in cases of under-statement of sale consideration.

The Land Acquisition Act, 1894, may be amended to the effect that where an immovable property was the subject matter of a transfer within one year, preceding the notification under section 4 of this Act, the sale consideration stated in the transfer deed would be deemed to be the market value for the purpose of determining the compensation under section 23 of the Act.

(*xxi*) *Ownership flats*

It may be provided by law that ownership flats, whether acquired through the medium of cooperative housing societies or otherwise, would be deemed to be immovable property for purposes of the Transfer of Property Act, 1882 and that transfer of such flats shall be required to be registered under the Indian Registration Act, 1908 in the same manner as any other immovable property.

(*xxii*) *'Pugree' payments*

The present legislative control on rent which operates in respect of both residential and non-residential premises may be amended so as to restrict its operation to residential premises.

(*xxiii*) *Tightening provisions of the Stamp Act*

Adequate machinery should be provided under the Stamp Act for valuation of properties which are the subjects of transfers. The Indian Stamp Act, 1899, may be suitably amended on the lines of the amendment made by the Madras Government in 1967.

In addition to indicating the date of sale and name and address of the purchaser, the Stamp Vendor may be required to state of the Stamp Paper the purpose for which the paper was purchased and also the names of the parties to the transaction sought to be recorded thereon.

(*xxiv*) *Tax treaties for exchange of information relating to tax evasion*

Section 90 of the Income-tax Act, 1961, may be suitably amended to enable the Government to enter into agreements with foreign countries not only for the avoidance of double taxation of income but also for prevention of fiscal evasion. Further, our existing agreements should be revised so as to provide for exchange of routine information and market intelligence as also specific information in individual cases to facilitate [illegible] of tax evasion and recovery of taxes.

(xxv) *Tax evasion in film industry*

The law should be suitably amended to provide that where under an irrevocable annuity policy, though taken by the producer in his name but assigned in favour of the artiste in the form of an annuity spread over a number of years, the artiste should be taxed only on the amount of annuity received during the year. The present value of annuities due in future should be exempt from wealth-tax. The producer would be entitled to claim the entire amount paid to the Life Insurance Corporation towards taking out such a policy as a deduction in the year of payment.

(xxvi) *Payment by crossed cheque or crossed bank draft*

An endeavour should be made to evolve a new instrument in the form of a Bank Bill of Exchange which is readily transferable but also contains an obligation for it to be encashed through a bank account. The instrument should be marked 'Account payee only' by the issuing bank.

(xxvii) '*Hundi*' *loans*

Permanent account numbers should be statutorily required to be quoted on Hundi papers. Repayments, including interest, should be made through 'Account payee' cheques only.

(xxviii) *Blank transfer of shares*

The Companies Act may be suitably amended to provide that before an instrument of transfer is presented to the prescribed authority, the transferor should be required to state in the instrument itself his name, the distinctive numbers and value of shares proposed to be transferred.

(xxix) *Denial of credit facilities to tax evaders*

All scheduled banks should be barred from providing credit facilities above Rs. 25,000 at any point of time to any person, unless he gives an affidavit to the effect that he has not been subject to any penalty or prosecution for concealment of income/wealth during the immediately preceding three years.

(xxx) *Arousing social conscience against tax evasion*

Tax evaders who have been penalised or convicted for concealment of income/wealth should be disqualified for the purpose of [illegible]

national awards. They should also be disqualified from holding any public elective office for a period of six years. In addition, ministers and senior officers of the Government of India should avoid attending social functions sponsored or organized by known tax evaders.

The Companies Act may be amended to provide that such person shall not be eligible to be a Director of a limited company for a period of six years.

On the other hand, tax payers who have been filing correct returns and have been prompt and regular in meeting their tax obligations, should be treated by the Department as 'Starred' assessees.

TAX AVOIDANCE

Introductory

The term 'tax avoidance' generally refers to the manoeuvres involving an element of deceit, misrepresentation of facts and falsification of accounts to avail of the tax exemptions or tax privileges offered by the Government. It is, therefore, necessary to tackle those types of tax avoidance measures which violate the spirit and intention of the law and at times border on tax evasion.

Some of the existing loopholes in tax laws which provide scope for tax avoidance then have been discussed and following recommendations made.

Loopholes

(i) Concept of taxable income

Income tax statute should contain a comprehensive definition of income whereby all incomings are brought to tax, subject to specific exemptions provided therein.

(ii) Casual and non-recurring receipts

The exemption now available to the casual and non-recurring receipts under the Income Tax Act should be withdrawn.

The receipts of casual and non-recurring nature in excess of Rs. 1,000 in a year should be included in the total income to be taxed at normal rates.

Winnings from State lotteries, crossword puzzles and races may be taxed at the concessional rate of 33 per cent where the amount exceeds of Rs. 1,000.

(iii) Capital gains

Capital gains should not be treated on a par with other income partly because these represent income which has accrued over a period of time. Concessional treatment of capital gains should apply only to capital assets held for more than 5 years.

(iv) Hindu undivided family

A Hindu undivided family should be taxed at a special rate if any of its members has independent income above the maximum not liable to tax. Such Hindu undivided families should be taxed at the following rates:

Income (Rs.)	*Rate (%)*
5,001—10,000	15
10,001—15,000	25
15,001—20,000	35
20,001—30,000	45
30,001—50,000	55
Over 50,000	65

In addition, 15 per cent surcharge should also be leviable where the income exceeds Rs. 15,000.

(v) Clubbing income of husband, wife and minor children

Family consisting of husband, wife and minor children being treated as a unit of assessment is not favoured.

(vi) Measures to check diversion of income

It should be provided in law that in computing the total income of an individual there shall be included all such income as arises directly or indirectly to the spouse of such individual by way of salary, commission, fees or any other form of remuneration from a concern in which such individual has substantial interest.

(*vii*) *Tax treatment of firms and partners*

The Partnership Act should be so amended as to preclude the admission of minors to the benefits of partnership.

(*viii*) *Treatment of perquisites*

The Government should re-examine all the existing rules pertaining to valuation of perquisites in order to update them with reference to the current market trends.

(*ix*) *Charitable and religious trusts*

The Income Tax Act may be amended to cast an obligation on all charitable and religious trusts which seek income tax exemption to register themselves with the Income Tax Department.

All Trusts with income/receipts exceeding Rs. 25,000 should be under a statutory obligation to have their accounts audited in the prescribed manner.

(*x*) *Measures to check avoidance of Gift Tax and Estate Duty*

The Wealth Tax Act, 1957 and the Gift Tax Act, 1958 may be suitably amended to provide that a gift made by any person by means of book entry alone will not be recognized as a valid gift unless it is accompanied by physical transfer of cash.

Gifts made by a person from year to year should be aggregated.

TAX ARREARS

Causes of Arrears

The main causes of tax arrears are:

(*i*) Unrealistic and over-pitched assessments.

(*ii*) Administrative delays—late assessments, completing assessments for several years together, delays in disposal of appeals.

(*iii*) Administrative deficiency—frequent changes in jurisdiction, shortage of personnel and lack of proper training.

(*iv*) Slow progress of write off of irrecoverable arrears.

Remedial Measures

The remedial measures suggested are:

(*i*) The powers conferred on the officers should be exercised with vigour and firmness.

(*ii*) Work relating to accounting, collection and recovery should be under a separate hierarchy. In bigger charges, recovery units should be placed under Assistant Commissioners (Recovery) and Additional Commissioners (Recovery).

(*iii*) The recovery units should be provided with their own Sepoys and Hawildars on the lines of the Central Excise Department. The Intelligence Wing can also draw upon them in connection with searches and seizures.

(*iv*) A standing counsel competent in civil matters may be appointed in every Commissioner's charge to advise on issues raised in recovery proceedings.

(*v*) A High powered Body may be set up within the Department exclusively to consider and decide cases of write off and scaling down of arrears where the amounts involved exceed Rs. 1.00 lakh.

(*vi*) The rate of interest chargeable or payable under the various provisions of the Direct Tax Laws should be increased from 9 per cent annum to 12 per cent per annum.

(*vii*) Tax Recovery Officers may be authorized to order suspension of business. Recourse may also be taken to appoint receivers in suitable cases including industrial undertakings.

(*viii*) A statutory provision may be made empowering the Income-tax authorities to levy a provisional attachment on the assets of a tax payer whose case is under investigation, for tax fraud, even before a tax demand is actually raised against him.

(*ix*) Properties transferred directly or indirectly otherwise than for adequate consideration by an individual to his spouse or minor child may be made liable to attachment and sale for purposes of recovery of tax dues of such individual.

(*x*) The undisputed portion of the tax should be paid before an appeal to the appellate Assistant Commissioner is filed.

(*xi*) The provisions relating to deduction of tax at source may extended to cover payment of royalties, rents, professional fees, a commission, including insurance commission, made by all persons oth than individuals and Hindu undivided families and all payments prizes in lotteries and cross word puzzles, and race winnings.

(*xii*) Tax at the rate of 3 per cent of the amount billed by a co tractor in respect of any contract granted by the Central Governme State Government, local authority, a public sector undertaking or company should be deducted from the payment made against such b unless the contractor furnishes a certificate from the Income-tax Offi that the tax may be deducted at any lower rate or at nil rate.

(*xiii*) All tax payers, while making their own returns of incom should certify that tax has been deducted in accordance with t law, wherever due, from salaries, interest, dividends, etc., paid them.

(*xiv*) The work relating to the processing of tax deduction return watching deduction and payment, and taking enforcement actio where needed, should be centralized in every Commissioner's char and entrusted to a senior officer, who should not have any other work

(*xv*) The provisions of self-assessment should be made applicab to all cases irrespective of the amount of tax. The fact of paym should be indicated in the appropriate page to be provided for t purpose in the form of return of income.

(*xvi*) The Company law should also provide that every compa which intends to go into voluntary liquidation should notify the fa to the Income-tax Officer at the time when notices are issued to t share-holders in this behalf.

(*xvii*) The law should authorize the Inspecting Assistant Com missioner to call for the records of a case on his own motion, or o a reference by the Income-tax Officer, or on a petition made by t assessee, before an assessment is finalized and issue such directions as considers fit in the circumstances of the case for completion of the asses ment. The directions given will be legally binding on the Income-t Officer.

(*xviii*) There should be a provision in the law requiring the Incom tax Officer to send a draft assessment order to the assessee to start, wh

an assessment under section 143(3) exceed in the aggregate Rs. 25,000. Where the tax payer objects to the assessment being made on the basis of the draft order, he should intimate his objections within 7 days to the Inspecting Assistant Commissioner who will, after hearing the assessee and the Income-tax Officer, pass the final order of assessment himself. For this purpose, the Inspecting Assistant Commissioner should have the power to accept, reduce or enhance the income proposed in the draft order.

EXEMPTIONS AND REDUCTIONS

(1) *Review of Existing Exemptions, Deductions, etc.*

(*i*) Agricultural income should be aggregated with the other income liable to income tax.

(*ii*) Casual and non-recurring receipts should be taxed.

(*iii*) Exemptions available in respect of the income of Provident and Superannuation Funds may be extended to income of gratuity funds also.

(*iv*) In computing salary income, the allowance for books may be raised to Rs. 1,000 from the present limit of Rs. 500.

(*v*) The present deduction of Rs. 200 per month allowable to an employee owning or using a car for the purpose of his employment and not in receipt of a conveyance allowance should be raised to Rs. 250 per month.

(*vi*) The deduction in respect of entertainment allowance may be withdrawn.

(*vii*) The deduction for repairs in computing income from properties should continue to be $\frac{1}{6}$ of the annual letting value. However, the law may be amended to restrict the actual amount spent on repairs in cases where the claim exceeds Rs. 1,000.

(*viii*) Any amendment to the law for allowing wealth tax as an admissible deduction in computing the taxable income is not favoured.

(*ix*) Cooperative Societies should be subject to company rates of tax on their assessable income.

The exemption on dividends from Cooperative Societies from levy of tax may be withdrawn. Instead, dividends from Cooperative

Societies may be considered on par with dividends from companies and allowed such benefit as may be admissible under the Income Tax Act.

(*x*) The basic exemption limit for Estate Duty may be raised to Rs. 2 lakhs from the present Rs. 50,000.

(2) *Suggestions for Additional Incentives*

(*i*) A National Development Fund should be established to which all tax payers other than companies may contribute on a voluntary basis. It may be made clear that the Fund will be earmarked for utilization by Government on development projects only. The contribution to the Fund in any financial year, should be subject to a ceiling of 10 per cent of the gross total income of the tax payer or Rs. 20,000, whichever is less. A percentage of the contribution should be allowed as a deduction in computing the total income in the same way as under section 80C of the Income Tax Act, 1961, in respect of the contributions to a Provident Fund or payments towards L.I.C. premium.

The contribution to the Fund will be blocked for a period of 7 years. The amount on repayment after 7 years will not be liable to tax. The rate of interest may be not less than 4½ per cent but the interest may be subject to income-tax.

(*ii*) For encouraging industrialization of backward areas, a concession in the form of accelerated depreciation—equal to one and one-half times the amount of depreciation which would otherwise have been allowable—may be given to tax payers who establish new industrial units in notified areas, in respect of their fixed assets.

(*iii*) Tax rebate ranging from 5 per cent to 10 per cent of the tax payable may be allowed to an assessee in respect of income derived from labour oriented industrial unit newly set up after a specified date. The rebate should be available for a period of 5 years beginning from the year in which the operations commence.

(*iv*) A Reconstruction and Stabilization Reserve Fund may be established to which all companies may contribute up to a maximum of 10 per cent of their gross total income. The contributions will be allowed to be deducted in arriving at the total income of the companies arriving at the total income of the companies for tax purposes.

(*v*) A tax on capital of companies may be introduced. Such a tax may be imposed with reference to the valuation date as defined in the Wealth-tax Act, 1957.

TAX ADMINISTRATION

Introductory

Without certain basic changes in its set up and methods, the tax Administration will not be in a position to meet the challenge posed by the increasing number of tax payers as also of tax dodgers and defaulters.

(1) *Organizational Set Up*

(*i*) The Central Board of Direct Taxes should be reconstituted as an independent and autonomous Board with 5 Members, including its Chairman, but excluding Member (Finance), if any.

The Chairman and members should have the same status as a Secretary and Additional Secretary to the Government of India and should be appointed from among the personnel of the Income-tax Service.

(*ii*) The Central Board of Direct Taxes should not be a part of the Ministry of Finance. The Direct Tax Laws Administration should be insulated from political pressures and the Government should publicly declare that by constituting an independent Board, they intend to respect its autonomy, both in law and practice.

(*iii*) The Board should be given larger financial powers by making a separate delegation of financial powers in respect of it on the lines of the P&T Board.

(*iv*) A senior member should be made responsible for matters relating to personnel. He should also be responsible for vigilance functions and administrative planning relating to both men and facilities.

Another member should be in direct charge of intelligence and investigation work. The Directorate of Inspection (Investigation) may be abolished.

(*v*) The present Directorate of Inspection (Research, Statistics and Publication) should be split up into two distinct units, one a Directorate of Publications and Public Relations and the other a Directorate of Research and Statistics.

The Directorate of Research and Statistics should be organised and developed as a Tax Research Institute within the Department. It

should be headed by a person with requisite academic qualifications and research experience and manned by persons having the necessary background and aptitude for research work, irrespective of their seniority.

(*vi*) Modern methods of compilation and processing of statistics should be adopted leading to computerized data processing so as to facilitate their publication soon after the close of the financial year.

(*vii*) The O & P Division of the Board should be wound up and instead a separate Directorate should be created for carrying out organization and methods studies and developing organizational patterns and procedures to suit the changing complexion of law and work.

(*viii*) The Directorate of Organization and Methods should, on the basis of appropriate studies, prescribe realistic performance targets and formulate precise and accurate methods of judging output at all levels.

(*ix*) The Directors Incharge of the Directorates should, as at present, be of the rank of Commissioners and draw a special pay. Their duties involve specialists functions and their selection should be made on the basis of merit, rather than on the basis of seniority. Similarly, the Deputy Directors and Assistant Directors should be selected on the basis of their background, qualifications and aptitude.

The special pay for them should be raised from Rs. 150 and Rs. 175 to Rs. 300 and Rs. 200 respectively.

(*x*) The designation of the Directors should be changed as Directors General.

The Deputy Directors and Assistant Directors may also be re-designated as Deputy Directors General and Assistant Directors General respectively.

(*xi*) The system of Additional Commissioners has not been favoured.

The real remedy lies in increasing the number of Commissioners and creating smaller charges with manageable workload. Each Commissioner may have not more than 40 Income Tax Officers under him.

Since most of the States have more than one Commissioner headquarters of different Commissioners should be situated in different cities.

City charges should remain joint with the Senior Commissioner drawing special pay and being incharge of Administration.

The Additional Commissioner should be administratively subordinate to the Commissioner so that he fits into the hierarchy, assumes authority over those below in the line and becomes responsible to those above.

The suggestion that all posts of Income Tax Officers (Class II) should be converted into Class I is not approved. What needs to be done is to classify jobs according to their importance and then assign cases to officers according to the degree of responsibility involved.

(2) *Personnel Policy*

(*i*) With a view to ensuring that persons of high calibre may be recruited to the Service, the candidates who take the combined competitive examination and opt for the Income-tax Service should also be required to take two additional papers as for the Indian Administrative Service and Indian Foreign Service. For the Income-tax Service preference should be given to candidates with law and accountancy qualifications.

(*ii*) The Class II cadre in the Income-tax Department should be filled up exclusively by promotion from the non-gazetted grades below.

(*iii*) Merit and merit alone should be the criterion for appointment to higher posts and this principle should not remain a mere theory but should be markedly evident in practice.

(*iv*) All vacancies in the grade of Income-tax Officer Class II should be filled up on the basis of merit by promoting qualified Inspectors, who have passed the departmental examination for Income-tax Officers.

(*v*) With immediate effect, the quota of promotions from Class II to Class I should be temporarily raised to $66\frac{2}{3}$ per cent, till such time as all the surplus promotee officers in Class I, including the [illegible] *ad hoc* promotees, are absorbed. In view of the suggested increase in quota, the weightage in seniority for promotee officers may be reduced to a period of 18 months. There should be no promotions to Class I till the present excess is fully absorbed.

(*vi*) There should be two scales for Income-tax Officers Class I, a senior scale and a junior scale, as in the Indian Administrative Service. Class II officers should be eligible for promotion on the basis of merit to the senior scale in Class I after 10 years of qualifying service. The number of promotions in each year will be so adjusted that the percentage of all promotee officers in the senior duty post remains at 33⅓ per cent.

(*vii*) Promotions to the grade of Assistant Commissioners, Additional Commissioners, Commissioners, and Members of the Board should be made strictly according to merit.

(*viii*) The pay scales of the Income-tax Service should be brought on par with those of the Indian Administrative Service. The present Class I scale for Income-tax Officers may be split up into a senior scale and a junior scale. The following pay scales are recommended for the officers in the Income-tax Department:

Income-tax Officer Class II: Rs. 400—40—800—50—1000.

Income-tax Officer Class I (Junior Scale): Rs. 450—50—1000.

Senior Scale: Rs. 900 (6th year or under)—50—1200—60—1800.

Assistant Commissioner: Rs. 1800—100—2000.

Additional Commissioner: Rs. 2000—125/2—2250.

Commissioner: Rs. 2500—125/2—2750.

Member: Rs. 3,000.

Chairman: Rs. 3,500.

(*ix*) In the new pay scales recommended, the pay of an officer promoted from Class II to the senior scale of class I should be so fixed that he gets a minimum increase in pay of Rs. 150 per month.

(*x*) Class I Income-tax Officers in the proposed senior scale should be designated as Assistant Commissioners or in the alternative as Senior Income-tax Officers.

(*xi*) Assistant Commissioners in the Income-tax Department should be redesignated as Deputy Commissioners, irrespective of the change in the designation of Income-tax Officers Class I. They may be called Deputy Commissioners of Income-tax (Appeals), (Inspection) or (Assessment), depending on the duties assigned.

(*xii*) The Head of the Staff College should be redesignated as Director General of Training and allowed a special pay in addition to his pay as Commissioner.

(*xiii*) A much larger percentage of officers of the Income-tax Service should be deputed to other departments, such as Foreign Trade and Company law, and public sector undertakings, like the Life Insurance Corporation, banks, etc.

(*xiv*) The training institution at Nagpur should be provided with qualified whole-time instructors of the rank of Assistant Commissioners, one for each subject.

(*xv*) The Tax Research Institute should arrange to conduct orientation courses for senior officers, like Commissioners, Additional Commissioners, and Assistant Commissioners.

(*xvi*) The vigilance machinery of the Department should be adequately strengthened. Every Commissioner should keep a close watch on the undesirable elements in his charge and should be required to send to the Board a half-yearly report on suspect officers with a bad reputation.

(*xvii*) A statement of net worth, on the same pattern as suggested for adoption as a schedule to the income-tax return should be prescribed for submission by all officers every year to their respective Heads of Departments.

(3) *Procedure and Methods of Work*

(*i*) Assessment and collection are distinct functions and their separation is absolutely necessary in the interest of both the tax payer and the Department. The functional system should continue.

(*ii*) Cases should br re-categorized as follows, irrespective of the source of income:

Category I—All cases with income exceeding Rs. 50,000.

Category II—Cases with income exceeding Rs. 25,000 but not exceeding Rs. 50,000 and also loss cases.

Category III—Cases with income exceeding Rs. 15,000 but not exceeding Rs. 25,000.

Category IV—All other cases.

(*iii*) Class II Officers and junior Class I Officers should be e trusted with assessment work under section 143(1) of the Income-t Act as also scrutiny cases where assessments have been re-opened und clause (a) of section 143(2) on assessees' request and other scrutiny ca where the income does not exceed Rs. 25,000. All scrutiny ca with income above Rs. 25,000 and all investigation cases should entrusted to senior Class I Income-tax Officers.

(*iv*) Assistant Commissioners should be entrusted with assessme work in all tax fraud cases and high revenue potential cases.

(*v*) Tax payers should be supplied with challan forms on t pattern of bank pay-in slips which they could themselves fill in and s and utilize for making tax payments. Separate challan forms will necessary for income-tax, tax deducted at source, wealth tax, gift t etc.

(*vi*) The suggestion that all nationalized banks should be autl rized to receive payments of tax is not favoured. However, ba could, as part of their service to their account holders, arrange t payments at the appropriate receiving offices and secure the chall receipts for them.

(*vii*) Refund vouchers may be replaced by cheques and the syst of advice note discontinued except in case of refunds exceed Rs. 1 lakh.

(*viii*) Administrative control over the Appellate Assistant Co missioners should remain with the Board, and the Director of Insp tion should carry out inspection of their offices once at least in ev five years.

(*ix*) The revisionary powers of Commissioners should contin but they should be exercised by the Commissioner himself and not by Additional Commissioner.

(*x*) A special planning and programming cell should be crea in the Board. The cell should be equipped with trained person and modern aids.

(*xi*) Suitable tax payer assistance programmes may be drawn to provide tax payers information and education through TV, ra films, press, booklets, and publications.

(*xii*) The law may be amended to authorise the Board to g

for such rulings so as to eliminate purposeless and academic queries. The Board should also have the option to reject an application and refuse a ruling. A ruling once given should be binding on the Government in the particular case only, though it will not bind the tax payer.

Minutes of Dissent

(1) SHRI M. P. CHITALE

(a) *Bearer Bonds*

A scheme for the issue of Special Bearer Bonds having the following features, will, in my opinion, help unearth black money:

(*i*) The Government may issue Bonds carrying 3 per cent interest per annum with a maturity period of 30 years. At present, 5½ per cent 30-year Government Bonds are quoted a little below par. Three per cent 30-year Bonds may, therefore, fetch a market price of, say Rs. 50. A person acquiring a Bearer Bond with unaccounted money will give a sum of Rs. 100 to the Government but will receive a marketable security of the value of Rs. 50. The original purchaser of the Bond will thus indirectly pay a tax of about 50 per cent.

(*ii*) The Bonds should have the facility of transfer by endorsement before a notary public or similar authority, and subsequent registration with the Reserve Bank of India or the State Bank of India. Whosoever is the first endorsor has to put his own name as also the name of the endorsee on the bond before a notary public or similar authority.

The purchaser and holder of a Bearer Bond may at any time sell and transfer the Bond by endorsement and the transferee will then be entitled to all accumulated interest. In the hands of a registered transferee, the Bond would be just like any other marketable security and interest would be paid accordingly.

Easy marketability in case of need for liquid funds will provide an attraction for purchase of the bonds.

(*iii*) It is necessary to remove the confrontation of tax evader before the tax administration. This could be done by two measures. Firstly, there should be immunity for the original purchaser or possessor of a Bearer Bond from being questioned about possession of the bond and about the source of money from which the bond has been acquired.

Secondly, the bond should be exempted from the charge of wealth tax. This immunity and exemption from wealth tax would enable the possessor of bearer bond to remain anonymous and retain the bond with him till any length of time he chooses.

(*iv*) Bearer bonds offer a convenient medium for getting rid of black money and save oneself from the risk associated with it. With immunity from explanation and facility to hold on the bonds for any length of time, or to transfer them at the time one chooses, a safe income yielding investment in the shape of a bearer bond will meet the instincts of caution of the persons concerned. For Government and the public, it would be a means for enabling withdrawal of black money from circulation.

(*b*) *Taxation of personal income*

A lowering of tax rate *per se* is not a satisfactory device for securing the twin objective of discouraging tax evasion and stimulating savings.

The deduction up to Rs. 3,000 in respect of income from specified investment should be withdrawn.

There need be no independent and separate ceilings for different prescribed forms of savings.

Any amount paid out of the income liable to tax in any forms of prescribed savings, aggregating to not more than 40 per cent of the total income should qualify for tax relief.

Tax relief should be given on the basis of slab rates with the rates of relief increasing progressively with each successive slab of saving.

A tax structure where even large income can be earned, but only for investment and not so much for personal consumption, will provide a suitable framework for income policy.

(*c*) *Long-term capital gains*

Long-term capital gains should be taxed like receipts of casual and non-recurring nature.

(d) Taxation of registered firms

In computing total income of a registered firm, reasona remuneration paid to partners and reasonable return of capital put by them should be allowed as deduction.

(e) Corporate taxation

Investment in the form of shares, securities or loans made by company be deducted in computing the capital base for purposes capital levy. For the same reason, investment companies and banki companies be exempted from the charge of capital levy. Investm in Reconstruction and Stabilization Fund be also exempted.

In the case of companies with a paid up capital, not exceedi Rs. 3 lakhs, distributed profits up to 8 per cent of the paid up capital w be totally exempted from tax. In the case of other companies, out the distributed profits up to 8 per cent of the paid up capital, t first Rs. 24,000 of distributed profits will be exempted from tax and t balance distributed profits will be taxed at the rate of 20 per cent.

(f) Family as the basic unit of assessment

(*i*) Family of husband, wife and minor children should be ado ed as a unit of assessment for purposes of Income T instead of individual as at present. Unattached individu should be regarded as a family consisting of a single memb

(*ii*) Subject to certain qualifications, all income, whether husband, wife or minor children, should be aggregated a taxed in the hands of family.

(*iii*) Earned income not exceeding Rs. 20,000 of any member of family, which is of a supplementary nature should be tax in the hands of family as if such earned income itself were t gross total income. The excess of earned income ov Rs. 20,000 should be clubbed in the hands of the fami

(*iv*) Unearned income of any member exceeding Rs. 3,000 whic of a supplementary nature and which does not arise from asset gifted to the member by another member of the fam should be included in the gross total income of the fami

(*v*) Where house rent paid by a family exceeds 10 per cent of gross total income, the excess over 10 per cent but not

than Rs. 500 per month or 15 per cent of the gross total income, whichever is less, should be deducted in computing total income of the family.

(*vi*) Where any Hindu Undivided Family consists only of husband, wife and minor children or any of them, income of such a family should be clubbed with personal income of family members treated as a unit of assessment.

(2) SHRI S. PARKASH CHOPRA (MEMBER)

(*i*) *Direct Taxes Settlement Tribunal*

It is not necessary to set up such a Tribunal. All settlements should be entrusted to Commissioners in respect of their charges. To deal with complicated cases, *ad hoc* tribunals consisting of two Commissioners may be formed from time to time.

(*ii*) *Grants-in-aid to political parties*

As it is, the Government finds it difficult to raise sufficient resources to pay for its obligations. The financing of political parties should, therefore, be left to private agencies and there should be no bar on companies making contributions to political parties provided that such a contribution is made after the management has obtained the sanction of the share holders by means of a special resolution.

(*iii*) *Hundi loans*

In order that malpractices obtaining in this market are brought under control, it would be advisable to insist that all persons carrying on business in this line should register themselves with Central organization, possibly the Reserve Bank of India or an institution nominated by it. Moreover, an intimation may be sent to the concerned Income Tax Officer, preferably that of the lender, either at the time of taking the loan or at the time of repayment thereof

(*iv*) *Agricultural income*

As the processing involved in order to subject agricultural income to tax may take time, there is no reason why, at least in the case of persons having taxable income, they should not be required to explain their agricultural income.

(*v*) *Shifting of essentials from non-essentials*

Ceilings of expenditure should apply when no proof of actual expenditure therefor is given. When expenditure is actually incurred, and is considered reasonable, ceilings would appear to be unnecessary

(vi) *Advance rulings*

Giving advance rulings to assessees or prospective assessees would considerably reduce the work load on the Department and would diminish disputes and controversies. A provision in law may be made to the effect that the auditors should report on the facts as given in a reference for an advance rulings. This would be an additional check for the Department to ensure that the system of advance ruling is not misused.

(vii) *Intelligence and investigation*

If the work of intelligence and investigation is to receive exclusive attention of a senior member of the Central Board of Direct Taxes, as suggested by the Committee, there is hardly any point in having a 'Board'. While individual members may have some work entrusted to them, a fair amount of decision making should be done by the Board, as a whole.

(viii) *Tax rates*

While agreeing generally with the recommendation made by the Committee, I feel that the rates of Gift Tax should be stepped up further. The present practice of giving gifts to friends and relations in order to justify a nucleus for capital for the formation of a firm through which income is diverted should be curbed.

(ix) *Tax arrears write-off Body*

If a proposal has to be first processed within a Commissioner's charge, and then placed before the write-off Body, there is no reason why the same write off cannot be done by the Commissioner himself.

(3) SHRI P. C. PADHI (MEMBER)

(i) *Settlement machinery*

On the basis of my experience as Chairman of the Central Board of Revenues, I do not support this proposal for constituting a High-powered Full-time Tribunal.

(ii) Regulation of donations to political parties

I am very strongly opposed to the proposal for allowing donations to political parties as a deduction in the computation of an individual's taxable income because such donations would inevitably lead to corruption of public life and wealthy persons with lots of black money would use their wealth for buying the support of political parties by subscribing to their Funds. Moreover, the majority recommendation is, in my opinion, entirely outside the scope of the terms of reference to the Committee.

(iii) Allowance of certain business expenses

The concession is inherently capable of grave abuse. Even in the United Kingdom, entertainment expenses are not allowed except when they pertain to the entertainment of oversees customers. For identical reasons, I am opposed to the recommendation for a deduction in respect of the cost of maintenance of 'guest house in the nature of transit house'.

(iv) Compulsory maintenance of accounts

A more appropriate course would be to follow the American law and to provide that every person should maintain such statements, records or accounts as would be sufficient to show his income and other affairs relevant to direct taxes.

(v) Re-introduction of expenditure tax

I am strongly of the view that there was no justification whatsoever, for the abolition of expenditure tax. The reason for introducing an expenditure tax, as given in Kaldor's report, continues to be valid.

(vi) Casual receipts

In my opinion, it is very equitable to treat gifts as income in the hands of the recipients than to tax the donor on his gifts. A major reform in our system of direct taxation would be:

(*i*) to re-introduce expenditure tax and regard all gifts *inter vivos* as taxable expenditure and abolish gift tax altogether;

(*ii*) to treat all receipts, including casual receipts, as taxable income; and

(*iii*) to replace estate duty by a duty on succession and bequeaths.

(*vii*) *National Development Fund*

Although there is not the slightest doubt that the scheme for allowing as deductible the savings by way of contributions to the proposed National Development Fund would be a tremendous success, I do not support it for the simple reason that the term suggested in the report appear to me to be far too extravagant from the point of view of the exchequer.

THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

Vol. XVIII | October-December, 1972 | No. 4

CENSUS OF INDIA—SOME ADMINISTRATIVE ASPECTS

P. Padmanabha

THE Census of India is probably the biggest administrative operation conducted by the State. It has a history of over a century and traditions which have invited the attention of the world. It has grown in stature and complexity over the years, yet has received little attention regarding some basic aspects of organization.

The population census is the "primary source of basic national population data for administration and for many aspects of economic and social planning".[1] The utility of census data and the extremely vital role it plays in feeding data-hungry organizations scarcely needs narration here. It is, in fact, the essentiality of the census that justifies a close look at its organization. Starting from a mere head count for obvious military and tax purposes in ancient India, the census has grown to be one of the most important activities of the State. Though there were many studies of the population prior to 1872, and a census in 1872 itself, the first complete census of population in the country was in 1881. Since then the census has been conducted regularly every ten years and India has the enviable record of being one of the few countries that conducted the census even in 1941 despite the World War.

The census operations have always been considered as an administrative exercise with a technical content. The main facets of the census are (*a*) determination of technical content of the enquiry, (*b*) organization of the agency for the conduct of census, and (*c*) tabulation and

---

[1] The United Nations, *Handbook of Population Census Methods*, New York, United Nations, [illegible], Ch. I, p. 1.

publication of results. All the three facets are closely linked and any one can not be considered in isolation. In fact, the limitations of staff and finance set the constraints within which the technical content has to fall.

The technical content of the census enquiry is decided in consultation with various expert bodies, research organizations, chief census data users and others. For this purpose, conferences and seminars are held in which the various questions that could be included within the census enquiry are discussed with particular reference to the current needs of particular types of data for planning and other uses. The demands for data are so heavy that the suggestions for inclusion of questions are innumerable. From these various and often conflicting demands, essential queries have to be picked, often rejecting some very valid and important ones. The inclusion of questions in the census enquiry, both the number and content, must necessarily be decided keeping in view the cost of the operations, the time available and the limitations of the staff entrusted with the enquiry.

Till 1948, there was no permanent legislation governing census taking in India. The previous censuses were conducted under Acts of Government, such as the Census Acts of 1929 and 1939 but it was more the prestige of the executive rather than the existence of regulations that rendered the census operations successful. In 1948, however, a comprehensive Census Act was passed which provided the legal framework for the census operations. The Act empowers the Central Government to notify the taking of the Census and also specifies the levels of authority, penalties for offences under the Act, etc. These will be dicussed a little later.

The organization of the census has, since 1881, been the responsibility of the Central Government. The Census Organization has, at its head, the Census Commissioner for India with a strong complement of headquarters staff. In each State and Union Territory, a Director of Census Operations is appointed who is completely responsible for the organization and successful completion of the census in his area. Each Director has a supporting staff of Deputy Directors, Assistant Directors and others. The Census Commissioner and the Directors have, from the inception of the synchronous census in the country, been officers drawn from the civil services. This has been so because the census operations have been recognized as essentially administrative in character. The enumeration is carried on through the official hierarchies of the State Government. A vast army of enumerators, supervisors, charge superintendents and others is constituted consisting of school teachers, village officials, officials of almost all departments,

except essential services and Collectors and others are also completely involved in the census operations. The revenue administration of the State Government is generally fully associated with the census. Though the census operations are centrally guided and controlled, the implementation is entirely through the State Governments. This system of Central control but State implementation has always required the establishment of close personal equations between the Census Commissioner of India and the Directors of Census Operations in the States on the one hand and the Chief Secretaries and other senior State Government officers on the other. It is probably only those who have worked as Directors in the Census who would appreciate how very difficult it can be to discharge one's responsibility adequately under such an arrangement wherein one has the responsibility and no direct administrative control. However, it is just this system that renders the census a challenging administrative task. It is also the reason why, by tradition, administrative officers have been placed in charge of the census. The Census Commissioner and the Directors are generally officers of the I.A.S. on deputation to the Central Government.

Till 1951, the census organization was being disbanded after the tabulation and analysis of the census results. The entire organization both at the Centre and in the States used to be recreated all over again when the next census came round. This cycle of appearance and disappearance has called for a comparison of the Indian Census with the Phoenix. Obviously, under this system, valuable expertise was being lost every time, and time and money were spent on repetitive functions. However, from 1951, a nucleus census staff is in position during the intercensal period. This has ensured continuity and has evident advantages. Previously, the painful process of setting up the census office had to be gone through all over again with every new census, including obtaining accommodation, selecting staff, training them, etc. This is no longer necessary and the Directors in the States have the advantage of succeeding to continuing offices.

It has been mentioned earlier that the census operations are, in effect, an administrative task of vast magnitude. A task of this nature needs two essential supporting props—it should have a sound administrative structure and an equally firm legal base. It is necessary to consider how far these props are now available and if they are not available to the extent necessary what remedial steps are possible.

Drawing of Administrative Cadre Officers for Top Levels

There is normally little difficulty in obtaining the services of competent officers of the I.A.S. cadre of the States on deputation for the

posts of Directors of Census Operations. However, in a few cases, choice may be restricted and the Census Commissioner left with no alternative but to accept the officer suggested by the State Government. This would be unfortunate because the post, apart from anything else, must be manned by an officer acceptable to both the Government of India and that of the State. Also, this results in considerable variation in the relative seniorities of the Director. For example, in the 1971 Census, the years of allotment of the Directors extended from about 1954 to 1962—a very wide range indeed. The operational efficiency of the officer is directly linked with his seniority in his State and the access he has to have to the Chief Secretary and other officers would be easier.

Apart from seniority, and what is probably more important, is the willingness of the State Government to release an officer whom they consider good. Some of the qualities necessary to make good Census Director are "a conscientious administrative skill and a latent Machiavellian determination to brook no opposition; (but) all to often the people with such qualifications are—perhaps rightly—believed indispensable to the positions they hold and if occasionally one is pried loose to run a census, either the experience is so traumatic that he is unwilling to repeat it, or by the time the next census is due he has been promoted and is, therefore, more indispensible than ever."[4] There is little doubt that the officers selected to the posts of Directors of Census Operations must be able to work in a situation where, in effect, he exercises power without authority. At present, he has to organize the operations entirely through personal contact and high pressure tactics. This is generally satisfactory as long as no friction develops but if any Collector or Municipal authority were to prove uncooperative there is little that he can do. The Census Director has no direct administrative control or link with the vast State hierarchies which have to actually conduct the Census. Such a system which depends almost entirely on personal equations cannot be allowed to continue in its present form. Personal equations will, no doubt, continue to be of paramount importance but the administrative structure must have in-built systems of control. One of the methods of achieving this is to notify the Director of Census Operations as *ex-officio* Secretary or Joint Secretary in the State Government. It will be evident that this would necessarily imply that only senior officers are deputed as Directors of Census Operations. This will emphasise the connection of the State Government with the enumeration stage of the census and will be an effective method of ensuring that sufficient attention is paid to the Census. In a few States this has been tried out successfully. For example, in 1941, the U.P. Government had declared the [illegible]

[4] *Proceedings of the International Population Conference*, London [illegible], Vol. I.

of Census Operations (as he was then called) an *ex-officio* Deputy Secretary to Government. In his Administration Report for 1941 Census, the then Census Commissioner for India, Mr. M.W.W.M. Yeatts, suggested that this link is very useful and should be adopted in other States also. He says, "This saves a good deal of minor references while it means the census officer definitely speaks as an officer of the provincial government."[3] It may be objected that this is incorrect on the ground that the same officer cannot have designations under both the Central and State Governments. To this, Yeatts writes, "One of the Presidencies, while not unattracted by the idea, remarked that the proposal was technically impossible. Frankly, this attitude strikes me as ridiculous. Far from being impossible, it was actually in practice in a major province; and when one reflects on the whole nature of the Indian Census, a theoretically purely central matter carried out as regards one stage almost entirely by provincial agencies, one is amazed that hair-splitting of this sort should be indulged in."[4] In the 1971 Census, some States had ordered the *ex-officio* status of the Directors.

Even at the all-India level, the desirability of establishing a link between the Census Commissioner for India and the Home Ministry was recognized long ago. On this issue, Mr. Yeatts writes, "The Census Commissioner should I think be given some *ex-officio* status in the Home Department. I made this suggestion in 1939, but without success. Actually, however, under present conditions where everything has to be pushed through in the minimum of time, the system should be such as to make references to Government as easy as possible. The Census Commissioner's general administrative powers were greater this time than in 1931 and I was spared atleast some of the riduculous references which afflicted Dr. Hutton. Still on each of the three main issues submitted to the Government it took four months for orders to come and even then only after persistent urging on my part. References of this sort are largely technical and it would be far better if the Census Commissioner himself as *ex-officio* Joint Secretary let us say, were able to submit these within the department instead of watching time being consumed by clerks indulging in the general processes of uninformative noting. Time is of the essence of a Census Commissioner's work; every thing is linked up in a date succession and great difficulties are involved if the time sequence is upset."[5] The need for this link was recognized at the time the 1971 Census was being organized and the Census Commissioner for India has been declared *ex-officio* Joint Secretary to the

[3] *Census of India: Administration Report*, 1942, p. 6.

[4] *Ibid.*, p. 6.

[5] *Ibid.*, p. 6.

Government of India. Similar declarations in the States with regard to the Directors would be desirable.

It has been mentioned earlier how the Census Organization was being built up in Phoenix-fashion every ten years and that only after 1961 has a nucleus unit continued. The type and size of the organization at the Centre and in the States that should continue during the inter-censal period needs some consideration. The organization at the Centre is now almost set since both the Census Commissioner and his staff continue, but in the States the pattern must be clearly laid down. There are definite advantages in the existence of a continuing office responsible for census work...Such an office assures continuity in census work and is the principal centre for the formulation of the programme and the initiation of preparatory work for the next census. Its permanency permits the development of specialized and experienced personnel and the maintenance of files of essential statistical and geographic information."* The nucleus units in the States during the inter-censal periods are a good beginning and largely ensure continuity. However, depending on the size of the staff in each of the States, it would be desirable to have at least a Deputy Director in charge during the inter-censal period.

The method of appointment of staff at the higher technical and executive levels in the Census Organization also calls for attention. Over the years, direct recruitment has been made of Tabulation Officers, Assistant Directors, etc., but almost without exception the posts of Deputy Directors have been filled only by officers on deputation from the State Government, generally from the administrative services of the State, sometimes from the Bureaux of Statistics. The census cadres in States are separate and have to be so because knowledge of the local language and conditions is essential. This considerably reduces the chances of promotion, and career prospects are not very bright. One way out would be to fill these posts, to the extent possible, by officers on deputation from the Indian Statistical or Economic Services. But it is extremely doubtful if such officers would be able to provide the expertise needed for census work since they would neither have the background nor the experience of the departmental personnel. These qualifications are essential in the Census Commissioner's Office as well as in the offices of the State Directors. In balance, it would appear desirable for the Census Organization to develop its own cadre of technical personnel.

The enumeration is now carried out by a vast army of village

* *Handbook of Population Census Methods*, op. cit., Vol. I, p. 22.

officials, teachers, local body officials, etc., whose work is considered essentially honorary. Nearly a million and a half of them are involved in the census and till 1951 were unpaid. It was only in 1961 that each enumerator and supervisor was paid a small honorarium of Rs. 15 which, in 1971, became Rs. 45. This was considered as a token payment for the services rendered but even this small amount increases the cost of the census enormously. In theory, the Government can insist on every citizen performing census duties without compensation but, in practice, this is not possible. The fact that for almost all such extra items of work payments are made has had its influence on the census enumerators whose claim for compensation cannot now be rejected out of hand. In particular, the point that fairly attractive remuneration is paid for election work of only a few days of far less strain, is something that cannot be ignored, particularly as almost the same personnel are employed. It would, therefore, be "idle to blink the fact that what used to be in the old days if not welcomed at least accepted as a function . . . is becoming increasingly regarded as a corvee to be evaded if possible and scamped if inevitable".[7] The cost of the census is now a central charge though some part of the invisible expenditure is borne by the State Governments. The taking of a census is a costly affair but to imagine that it can be done cheaply is unrealistic. Despite its increasing costs, it still is very much cheaper than the General Elections but ways and means would have to be found to keep its costs under some control. This can be done in two ways. The Central and State Governments may share the costs since the latter are considerably benefitted by census data. As part of the spreading of costs, local authorities such as municipal corporations, municipalities and bodies at the taluk and village level should be asked to contribute their shares, for which purpose appropriate regulations can be framed. Secondly, it would be possible to reduce the costs by conducting the census only in sample areas for detailed enquiry and restricting general coverage only to the essential head count. This has been discussed a little later.

It has been mentioned earlier that the legal framework is an important prop to the census. A permanent Census Law, called the Indian Census Act (Act 37 of 1948), was enacted in 1948. The Act empowers the Central Government to notify and conduct the census in the country and specifies the duties, powers and penalties thereunder. The Act has not been tested in courts nor have rules been framed for the various purposes of the Act as provided therein. The Act has, no doubt, indicated that those who are assigned duties under the Act shall perform them but more specific mention of both responsibility and penalties is necessary. One of the difficult problems of census taking is getting

[7] *Census of India, Administration Report*, op. cit., p. 12.

municipal bodies to carry out the enumeration in their areas. It is almost a general experience that the corporations and bigger municipalities are the more difficult. A specific mention in the Act. clearly assigning the duty to all such authorities, is essential. The Act could also specify the surcharging of these bodies for sharing of costs. Since the census is a time-bound operation long drawn out prosecutions are of little help. Summary punishments must be provided for in the Act to permit immediate remedies in difficult areas. As years pass by, the need for legislative sanction will be increasingly felt and the Census Act must be made more specific and appropriate rules must be framed as early as possible. Legal authority is needed for fixing primary responsibility, authorising sharing of costs, empowering compulsory participation and of placing a legal obligation on the public to cooperate.

The Census of India is concerned with the gathering of demographic data of the second largest population in the world. The magnitude of the task and the administrative difficulties would call for serious consideration of the basic system of enumeration itself. It has been the practice to canvass all the questions in the individual slip for all citizens, irrespective of age or sex. This complete enumeration requires a very large number of enumerators since one enumerator can cover only about 750 people in the enumeration period. Difficulties have been experienced in getting the adequate number of suitable personnel for enumeration and the larger the number the greater the difficulties of organising training and ensuring quality of work. Again, since it is recognized that voluntary service can no longer be sought and payment of adequate compensation is costly, there is need to consider how this number can be reduced. It may be suggested that the enumeration forms can be distributed, got filled in by the head of the household and collected later. However, experience indicates that the response is generally poor when the citizen has to fill in the return himself. Also, where the literates are a small proportion of the population, this method cannot be used extensively. Thus, for some time to come, the canvasser method would continue to have to be adopted in India. However, it would be of advantage to study the extent to which the householder method can be used in urban areas at least; investigations could be carried out for this purpose in the inter-censal period. The canvasser and the householder method have been used in [illegible] in some countries.[8] The other alternative would be to conduct the full count in all areas only for a few basic demographic characteristics, [illegible] sex, age, marital status, literacy, educational level and main [illegible].

[8] *Handbook of Population Census Methods*, op. cit., p. [illegible]

It would be necessary to enumerate the Scheduled Castes and Tribes fully. Data on migration, occupation, secondary work and fertility could be collected only in selected sample areas. The elimination of the questions on migration, occupation, etc., would considerably reduce the workload of the enumerator, permitting the appointment of fewer enumerators and to some extent saving time and money on training and supervision. The enumerators in the sample areas, where the difficult questions on economic aspects would be canvassed, could be drawn from a higher level of the hierarchy and could be better trained for this purpose.

It would be useful if the various aspects of such a two-tier system of enumeration could be considered by an expert group so that by the time the next Census is due in 1981 the feasibility of this type of sample enumeration has been explored. Censuses are expensive and if all needs are to be met by complete enumeration, the cost, time and organization required would place a serious strain on the sources available for census taking. To reduce this strain on resources, sampling methods can be introduced in conjunction with complete enumeration which would be restricted only to a few characteristics. "Sampling has been used in several countries for broadening the scope of the census by asking a number of questions (in addition to those for which universal coverage is required) of only a sample of population. Modern experience in the use of sampling techniques has confirmed that it is not necessary to gather all demographic data on a complete basis."* There are limitations to the extent to which sampling can be used, but its increasing use in the census must be considered.

Relevant to this consideration of reducing the costs in time and money of census taking is the nature of the questions themselves. In this connection, the elimination of the two questions on mother-tongue and religion would seem desirable. These are characteristics which change rather slowly and their enumeration once in two decades would seem sufficient. Their elimination would permit the inclusion of questions on other social and economic aspects of greater utility.

The wealth of data put out by the Census is useful only if it is available as soon after the Census as possible. The Census Tabulation Programme is formulated well before the enumeration takes place and the sorting and analysis of the millions of individual slips are geared to the Tabulation Programme. But the tables, even after they are ready, generally take a long time to be printed. Meanwhile, as experience indicates, the demand for data is heavy. The printing of the statistical

* *Handbook of Population Census Methods*, op. cit., p. 113.

tables presented in the innumerable, but valuable, census volumes can be made quicker if the maximum number of private presses can be induced to take up the work. This can be done only by offering attractive printing rates. This is a feature of the census that needs attention well before the volumes are ready for print. The experience in the 1971 Census has to a great extent been happier than before because of the recognition of this problem and consequent acceptance of a more liberal view of the rates.

The census organization does not function in isolation. It necessarily has to have close liaison with the main statistical and economic organizations in the country, such as the Central Statistical Organization, Indian Statistical Institute, the Planning Commission, etc. In a sense, it is part of the statistical and economic intelligence wings of the Government but with the difference that it is much more administrative in organization and time-bound in operation. There are distinct advantages in keeping the Census Commission as a separate department rather than as a wing of the Central Statistical Organization (CSO). Its separate existence would ensure the development and improvement of demographic expertise in the country which will not be possible if it becomes a wing of the CSO. The latter is responsible for the collection and analysis of data for important economic indicators, for national income computations, etc., which is a continuous process. It is extremely doubtful if a highly time-bound operation, such as the Census, can be carried out by the CSO. The administrative links, which are vital to census taking, may not be available, without which the census cannot be taken. The Census Commission would be more effective and useful if it remains an independent body. Its peculiar organizational problems, its magnitude of coverage and the complete dependence on State hierarchies for field work are its special characteristics which require its continuation as a separate and well established unit as an independent Commission. It would seriously detract from its operational efficiency and viability if there is any attempt to integrate it departmentally with any other organization on the sole argument that it also generates statistics and should, therefore, be part of the main statistical units. Liaison could be ensured through expert groups and Committees.

The Census of India is the single largest source of accurate data regarding the population of the country and is the main source for data users of basic information on the demographic and economic characteristics of the people. The increasing administrative and technical complexities of the Census deserve urgent attention well before the next Census is due in 1981. The organization needs to be firmly established

particularly in the States, and the problems of staffing and recruitment have to be solved. The legislative support is vital and a review of the existing Census Act is necessary. Expert thinking is needed regarding the method of census—whether the householder method can be employed on a limited scale, the feasibility of intensive investigation in sample areas only, the question that can be eliminated, etc. These are matters that require the combined thinking of all those concerned with the Census and must be considered well in time.

POLITICO-ADMINISTRATIVE ASPECTS OF AGRICULTURAL DEVELOPMENT: A CARIBBEAN PERSPECTIVE

Joseph Rajhansee

FROM recent speeches of politicians seeking office, and even those in office, it is clear that all is not well with attempts to secure agricultural development in the Caribbean. There is, however, nothing new. In any report that has been written about agriculture or for that matter general socio-economic conditions, it is clearly stated that if we should hope to increase our levels of living, much remains to be done in the agricultural sector. Other selections in a recent issue of *Caribbean Quarterly* would have looked at this problem of securing agricultural development from other angles. The objective of this article is to look at the problem from the politico-administrative perspective, in an attempt to arrive at obstacles and challenges that face a public leadership who may be interested in doing something to bring about improvements in the agricultural sector. This entails an analysis of the past performances of the following three of the actors in the system: agriculturists and their needs, the contributions from politicians, and the dilemmas of the civil servants engaged in activities designed for agricultural development. The findings reported herein are drawn from a larger study entitled *The Bases of Agricultural Backwardness in the Anglophone Caribbean.**

AGRICULTURISTS AND THEIR NEEDS

In analyzing the need structure of agriculturists three levels are discernible: (*i*) large commercial farmer, (*ii*) small subsistence farmer, and (*iii*) identification and implementation of elements in an agricultural development programme.

The Large Landowner

The large landowner who is engaged in commercial activities has

*Fieldwork for this larger project has been done over the last four years in almost every territory of the English speaking Caribbean when the author was engaged in public administration programmes sponsored by the University of the West Indies and the Ford Foundation. Several politicians, farmers and civil servants assisted in obtaining material which serves as a basis for the larger study. The author, however, has sole responsibility for the integration of the material and the interpretations contained herein.

four basic aims. He wants to continue to hold whatever land he has even if it is not being totally utilized. He feels that ultimately rapid increases in the present price of land would permit him to realize more from his land by speculation rather than cultivation. If, however, pressure from the landless increases on the political leadership he would like an immediate but inflated cash sale. At a second level, he is interested in a labour policy which would guarantee him cheap and stable labour. What government is doing for him in this respect is of fundamental concern to him. Recently, some sugar plantations have found a devious but profitable way of doing this. They have sold cane lands to government thus freeing themselves of the problem of dealing with cane labour and obtaining in the process capital which they could use to exploit resources in some other developing country The government re-sells the land to farmers and thus is caught in having to make cane a profitable concern even if it means subsidies, loans, duty-free concessions and guaranteed prices The companies continue in the manufacture and sale of sugar and its by-products, the more profitable end of the activity.

Of course, whatever measures, *e.g.*, mechanization, which are necessary to reduce or stabilise the labour input must also be provided by the government.

A third concern to the large farmer is that government should use all the instruments at its disposal to continue preferential markets for their primary produce. This may even entail giving foreign governments reverse preferences in other areas of the economy but once the preference continues for their primary product they are happy.

A fourth concern of the larger farmer is maintenance of socio-economic structure which grants them positions of status and prestige in the rural community. Thus, they hope to continue to have influence in the ultimate decisions being made for the island and see that labour failure, market failure, or crop failure would not take place so as to prevent the threat of redistribution of land in some newly conceived, egalitarian way. All this is subsumed under what they see as one basic consideration. If they should go out of business, unemployment would be widespread and the society would suffer. One, therefore, wonders whether they cared anyway; furthermore, with 20 per cent unemployment, 20 per cent only seasonally employed, and another 20 per cent underemployed how much worse things could get if the few large land-owning class should be replaced by a thriving peasantry. At least more people would have a stake in an economy which they theoretically own anyway.

Small Landowner

All small farmers cannot be lumped together. We must discriminate between intensity and quality of land use and whether the activity of the small farmer is intended as supplementary primary income producer. Undoubtedly, there is much difference between the sophisticated Aranguez farmer, the peasant cane cultivator, the Milpas farmer of British Honduras and those on public and private land settlement schemes. What we are interested in, however, are underlying bases of conditions which cause the small farmer to be caught in different levels of stagnation. His is a dependency problem. The dependency syndrome can be pictured in the following fashion. He is always at a disadvantage in dealing with the city in prices for his produce and the cost of factors of production. Thus, he sees little incentive to boost productivity to perpetuate this dependency. This feeling of dependence is grounded in a matrix of socio-economic conditions. This is reflected in his caricature of illiterateness; no capital or credit worthiness; an owner or renter of small, poor quality and poorly located holdings; a producer of a low quality product which is difficult to sell because of poor processing, packaging and marketing; and underemployed man on his own lands, who can only receive seasonal work on the large estates at a time when his own crops need him most.

To counteract these deficiencies, he has taken certain steps which in the long run further put him into the dependency pattern. He lives in a village to secure whatever benefits he can from civilization: school for his children, water and electricity for his home, health benefits for his family and some level of comfort in associating with his peer groups. However, as a non-farm resident, the agricultural inputs that he can carry with him each day to his operations are limited. His agronomic practices are accordingly reduced to the primitive. With a non-resident farmer praedial larceny is common, thus further reducing his motivation. As insurance and as a means to sustenance, he cultivates a wide variety of crops but this only increases his problematic situations to be successfully handled.

Many of them appear defeated. Instead of seeing their work as an agri-business they view their circumstances as a way of life forced upon them. They see themselves as an older and dying generation of low wage and lower-income earners involved in a socially degrading activity. At best they join with their neighbours in times of sickness but as yet they have been unable to combine themselves to secure effective and plentiful production and to determine the means of their collective existence. Thus the small farmer continues. If he is ambitious, he busily works

himself harder on his land, seeing as his primary goal not entrepreneurial activity but the need to avoid an error in any area which would lead to a disaster in all others. So he is reluctant to innovate.

What we have been saying so far will give the impression that we have a highly traditional view of the peasantry. But it must be remembered that this is only one aspect of the peasantry, *i.e.*, those who could profitably benefit from some kind of public leadership programmes. Whatever action has been taken on behalf of the peasant, *e.g.*, in Cuba and in Mexico, it has been shown not only that they are capable of doing excellent work with land but the general levels of living for the entire society have also risen. It must not be forgotten that productivity of these very peasants in agri-businesses in the metropole or even in cane-cutting in Florida have made the West Indian worker overseas a name among the best in immigrants. It must also be remembered that it is the peasantry or what should have been the peasantry that has introduced most of the agricultural innovations in the West Indies. It should also be noted that where the peasants have not suffered under the umbrella of the plantation or being victims of ill-conceived government schemes, *e.g.*, in Aranguez in Trinidad, they make the most productive use of land comparable to any agricultural efforts in the world.

A Systems Approach to Agricultural Development

One common problem noted throughout the field work was the need to identify, operationalize and optimize all the ingredients in an agricultural development system. We present these below to help in the conceptualization. Four broad areas involved are: physical factors social engineering skills, knowledge and the economic wherewithal, and the change agent relevant to the cultural setting.

Among the physical factors needed to foster optimum production are: labour, land, climate, animals, seeds, water, fertilizer, pesticides, physical structures, inanimate and animate sources of power, and tools and machinery. On this base provided by physical factors, man's social engineering skills must be utilized to secure appropriate land tenure and legal arrangements to facilitate all agricultural transactions; proper sale, scope and intensity of farm operations; supporting government services not only directly related to agriculture but to the upliftment of the entire rural community; and voluntary and statutory organizations concerned with the total integration of all elements and processes needed in the successful management of an agricultural undertaking. Throughout, the aim would be to secure vertical integration in production and marketing.

Since farming, today, is more than a way of life, the agri-business aspect of it makes it necessary for the farmer to have the *knowledge* and *economic wherewithal* to move production ahead. Facilitating factors of an economic nature include transportation, storage, processing, and marketing of outputs; facilities for supplying and distributing input, to include things like credit and findings of research; and the vertical and lateral integration of primary production. The farmer should be knowledgeable about interest rates and other inputs in terms of cost effectiveness; product prices to optimize profits and real income; how his products are faring in world markets, income transfusions for his benefit from other systems, like taxes, subsidies and quotas; technical agricultural knowledge in areas of agronomy, plant genetics, horticultural practices, soil science, water management, agricultural engineering, crop rotation, pest control, domestic science, and land and farm management; and the awareness that literacy, adult education, mass communication, public policy making, politics and administration are of vital concern to himself.

All these factors, however, must be studiously handled in relation to two dominant and sometimes domineering considerations—the *culture* and the *cultural manipulator* of change. The manipulator of change must so present his programmed package to the farming community that they see it as profitable, complementary to their present activities, functionally interelated, meeting a felt need of the farmer and promoter, compatible to their temperament and culture, simple enough to be within their grasp, having all inputs readily available and immediately applicable, inexpensive and of low risk, making a spectacular and communicable impact on farmers' productivity and fortunes, having the capacity to further accelerate these and, above all, enabling the farmer to carry on successfully when the change agent leaves, and so raise his real level of income. Of cultural importance is for change agents to understand that methods of change and their style of operations must be in keeping with the cultural constraints of the community served. As far as possible, they must try to integrate all aspects of agricultural activities, institutions and practices within the culture and society of the nation in such a fashion that apologies need not be made for them.

These then are the elements of an agricultural system which is development-oriented. How they are manipulated in West Indian agriculture will be seen in the following sections where some of the dynamics and statics of agriculture are examined from a public leadership perspective.

POLITICAL OUTPUT

Political output in the Anglophone Caribbean is more by word than deed. From evidence collected, it would appear that the greatest credibility gap between leaders and led lies in the agricultural sector of our countries. The reason for this state of affairs are not difficult to come by although in the course of field work many would imply them rather than say them outright. As a result of our analysis, the following key factors emerge. The first is the suitability and conceptual ability of the politicians in charge of agriculture. Politicians are either plantation owners or urban based elements neither of whom have the necessary acculturation to develop a thriving peasantry. In the case of the former, the plantation mentality has traditionally opposed the development of a peasantry. In the latter instance it is a man from a family who has recently escaped from rural drudgery so it would be difficult for him to be empathetic to the peasant way of life. This will continue as long as the rural people continue to vote for some party-appointed man or for political leadership or even to represent them on agricultural pressure groups, not because of their policies for agriculture but because of some other extraneous condition, like race or the charismatic qualities of the leader—hero or some other non-relevant social condition, like 'he wears a suit and tie well' or 'he can speak the Queen's English better than they'.

The second area of political impotence lies in the politicians' inability to devise suitable policy. There is still a debate in many government agencies as to whether agricultural growth can be secured by balanced or unbalanced growth. If a preference is taken there seems to to be a built-in bias towards placing a greater allocation of resources to industrial activity. From resources devoted to agriculture, emphasis is placed on export activities. However, as Eric Williams showed in his book *Capitalism and Slavery*, because of the structural arrangements of our plantation-type economy the benefits from this exercise accrue overseas. Thus, by putting resources into this kind of activity, *e.g.*, subsidies to sugar, we are actually exporting our limited capital.

In this debate about the proper economic approach to growth, in his tendency to de-emphasize the contributions of agriculture, and to foster export agriculture first, policy for indigenous agricultural activity at times appears to be no more than a series of *ad hoc* measures to meet particular crisis.

At a third level, policy is needed in a wide variety of areas. However, present structural arrangements of production and industrialization

by invitation, limit the availability of material resources which could be focussed on the problem. It also limits the socio-economic perspective that men could bring to the problem since their consciousness would be grounded in their present socio-economic circumstances. Thus, policy at best is only incremental adjustments to existing conditions when a whole new approach is what is needed.

At a fourth level is the question of land and land utilization. This should be a burning political question but it is not. Much land is held by large companies or landowners in such a fashion that any ultimate benefits which accrue from it do not permeate to the rest of the society to increase the total level of living. A second aspect of land availability is that because of land speculation, land ownership by foreign elements, previous poor use, difficulties of topography and geology, poor rainfall regimes and difficulties in obtaining crown land, the price and quality of land make it undesirable or unfeasible for agricultural activity. The Jamaican Government, in December 1967, set up a Land Development and Utilization Commission to counteract this problem. This is the most positive step taken in the Caribbean to make agricultural land available. Between then and now, however, the record speaks for itself. Four hundred and thirtysix Properties were visited. Thirtyeight have been served idle land orders and of these eight have been certified as idle and recommended for acquisition and distribution. Of these eight, one was acquired by lease and is awaiting development. Four were purchased and one of these has been sub-divided and advertised for sale. The three other properties have not yet been acquired. Thus, even after four years *not* much has been done to make land available to those who would wish to utilise it meaningfully.

The most important consideration, however, is the politics attached to agricultural activities. In pre-Independence days, the policy makers were among those who wished to maintain their socio-economic status in the country. Any successful action to develop a thriving peasantry would have been a threat to their position, so it was not done. The metropolitan government argued that we should specialize where we had a comparative advantage, that is, primary agricultural production. They forgot (conveniently) that the comparative advantage for industrial products is always better than that for primary production. Thus, although they were supposed to look after 'our interests' we were condemned to second class status. When added to the policy pursued in pre-Independence days, this made agricultural activity by the people at large a low level concern of an already second class activity. Now and again, revolts against this state of affairs would take place. [illegible] of inquiry would see the cause in the inevitable depression of [illegible]

because of the introduction of new lands, in another country, into production. The resulting misery which came to the masses because of depressed prices could only be ascribed to their overpopulated condition. Solutions proposed were simple. Some preferential treatment must be given to export agriculture to avoid its total collapse. This preference was used as a reason for continued agricultural production of a particular crop rather than as an opportunity to rationalize production, only to be faced with the same problem later on. Other solutions only reflected pious statements about the intensive use of land; the need to improve the farming methods of peasants; the need for relevant agricultural expertise at the top and agricultural conferences to disseminate knowledge; the need for centralized research, soil survey and land use; and the introduction of mixed farming, land settlement schemes, proper use of forests, credit for the small man and cooperatives. Constitutional independence has arrived in the region but the independent politician is not much different from his colonial counterpart when his outputs for agriculture are examined. Despite the protestations of party manifestoes and throne speeches, only two new ingredients have been added—one an attempt to put production in tins and the other to give party supporters a place in land settlement schemes. In the former, the difficulty is to get the quality and amount of surplus for canning; in the latter case, it is how to make an urban-type supporter into an agricultural worker so that he can develop the land economically. Then, the problem is how to turn the party loyalty of the grantee into agricultural efficiency so that the project could pay for itself. These things as has been found are easier said than done.

Such then, is the scene of political output and activity and the reasons from a political perspective why we are where we were in things agricultural.

ADMINISTRATIVE DILEMMAS

Administrators engaged in agriculture are very ready to provide many reasons why they have not been able to secure the optimum action which they desired. We want to look at two areas of their difficulty: their infrastructural support and their problems of communication since these are the two prerequisites of successful action.

Infrastructural Supports

To be successful, the administrator requires a good ministerial organization. Much can be said about the deficiencies which presently exist, but instead we offer an organizational chart (see page No. 501)

as a basic tool against which existing organizational systems can be judged. With this kind of ministry arrangement five other inputs are necessary:

— the appropriate incentives to produce, *e.g.*, appropriate land tenure arrangements and guaranteed prices;

— research to promote increased production, *e.g.*, particular varieties most suited to local conditions;

— securing and disseminating new forms of production inputs, *e.g.*, seeds, fertilizer and insecticides;

— institutions to service agricultural production, *e.g.*, credit, marketing and general rural development; and

— information devices to help farmers make better choices in decision making on agricultural alternatives.

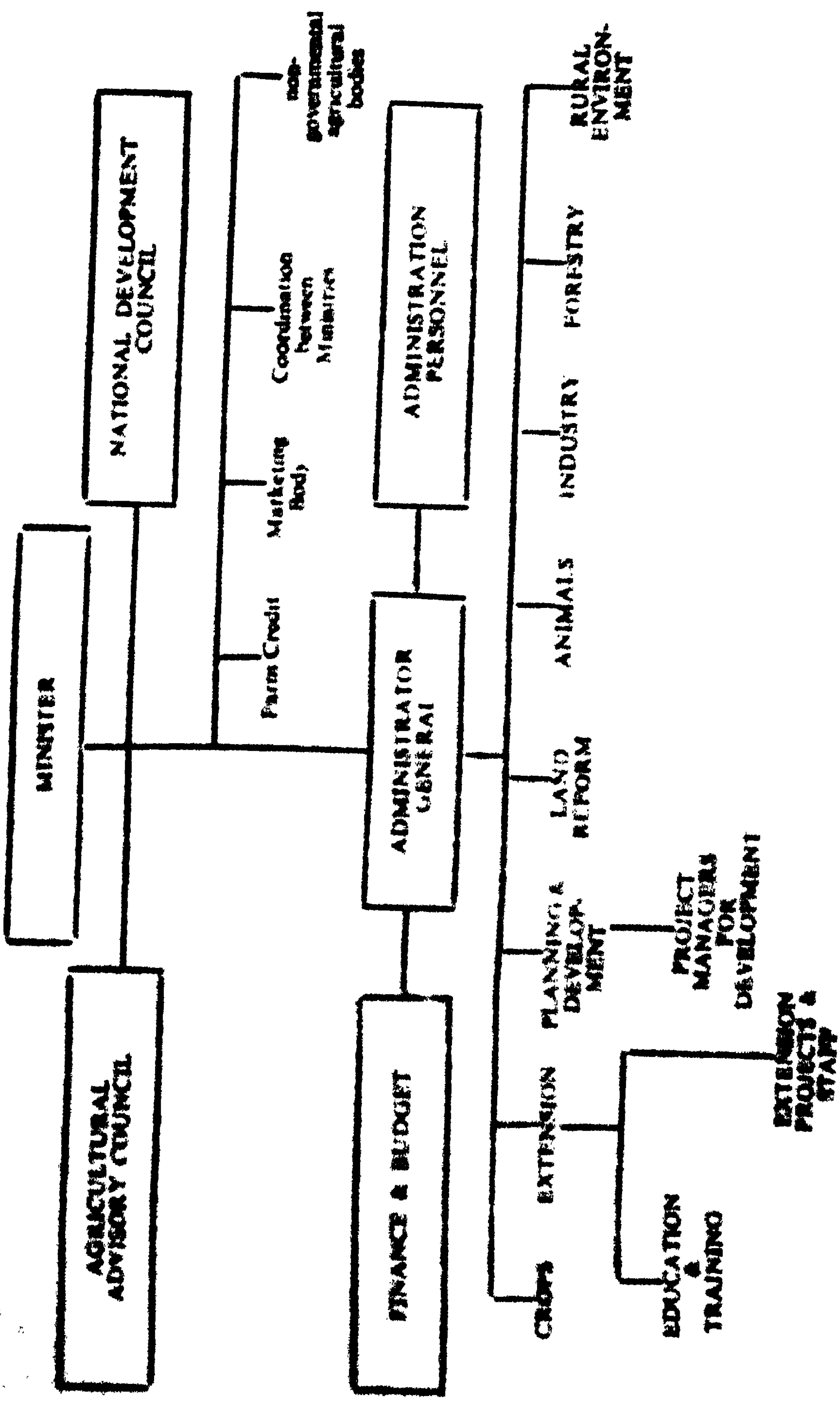
Attempts are being made to get positive action in these directions in most of the jurisdictions. However, viable instruments, which are capable of making dents in the agricultural backlog of development problems, are still to come.

Problem of Communication

For parties to communicate meaningfully, they need to first establish a basis of realistic confidence and understanding, but unfortunately the extension officers of the agricultural ministries have been unable to establish such a base. This may arise because the administration does not have a common conception of what the public interest is, so they have difficulty in telling people what to do in their best interest. In the old days, respect and veneration for the English agricultural technician may have made some impact on the peasant. However, today the local administrators must first establish their identity and the legitimate nature of their activity before meaningful interaction can take place.

The well-educated administrators now think and talk to the peasants in terms of capitalist production. The peasant, however, has a different conception of interest, economic rent, capital and wages. Not only does the peasant not grasp these concepts individually, as presented, he finds it totally impossible to see that these elements determine one another and are functionally interdependent. Peasant production is essentially commodity production. Each new unit is thought of in terms of consumption and drudgery of work to earn it. His is less of a capitalist system and more of a non-wage family economic unit. Market formulated policy does not take this into account sufficiently and so it

ORGANIZATIONAL CHART



does not succeed as well as it should. Thus, year after year, the plans for agriculture read the same but they cannot be implemented fully because they are not directly relevant. Administrators keep hoping that for peasant agriculture other crops will catch on as bananas did. They do not realise, however, that everything was provided for bananas—credit, markets, etc. This is not being done for the other crops and so they do not get beyond the take-off stage.

This communication problem assumes several other subtle dimensions. The administrator as a source of successful information about efficient agriculture is a concept which the majority of farmers interviewed were very wary of. This arose because the average extension worker does not have the level of technical and conceptual skill for this message to be an asset to the large estates while the small farmer remains unmoved because he, in turn, cannot relate the message meaningfully to his own situation.

Where the small farmer is concerned, the transmitting medium of English and its concommitent images also proves to be another stumbling block for the majority of them speak patois but none of the change-oriented agricultural officers would acknowledge a fluency in this language. At agricultural exchanges, the curious peasant who comes out to look around can be seen to nod his head in sleep or as a mark of deference to the government official, but from subsequent feedback it is apparent that no communication took place. Instruments, like written pieces and radio talks, Winban News, Farmer's Marketing Guide, Agricultural Information Newsletter and Hints on Growing Bananas, are not having the desired effect because people do not grasp the full implication of what they are trying to convey. As one of the local farmers put it, after going to all the meetings and hearing all the talks he was suffering from "listeners' digest". A good case in point was observed. In one island, notices were given over the radio and in the press about an agricultural meeting. Few people turned up. Some people returning home after church were buttonholed and questioned about non-attendance to which they replied they would have come if they knew the importance of the meeting. Yes, they had heard something on the radio about the meeting but had not turned up because if it had really been important a town crier ringing a bell would have advertised the meeting. This was a startling revelation to the group of forward looking young men who were voluntarily assisting a Marketing Board in its efforts to locate possible crops to be considered for export.

Overall, the peasants are afraid to approach the agricultural officer on equal terms and as such another type of problem arises as the following illustrates. Agricultural Extension Stations exist throughout the

districts in the islands. Some of them appear to be well run and efficient but they are not having a demonstration effect because only the already converted come to see the developments. This is because some are being used for experiment purposes instead of being run as economically successful model farms. Several of the extension officers have never run a farm themselves. Instead of being peasant oriented they are a glorified urban proletariat. Several people, on being asked why they did not visit the stations, replied that when they dared go in there, it was like walking in a government office—they felt as if they did not belong there.

The extension workers communication problems can be simply summed up as follows. He can only get some of the peasants to look in his direction. Of these only a few see what they are looking at. Of these only a smaller number understand what they see. If we assume there is something to learn, very few of these learn from what they understand. As to acting from what they learn, this only happens in a rare case. Such successful action, is nearly as frequent as miraculous events. Thus, the agricultural administrators and technicians appear (as one farmer put it) like civil servants who read a few books on agriculture but do not know a damn thing about farming. In looking at the performance of politicians and administrators, several other considerations could be raised. One could ask, for instance, why separate politician and civil servant when they show the same basic manifestation. This separation is not the author's own doing but an adoption of civil servants and politicians themselves reflected in the "we" and "they" mannerism in speech when making points about responsibilities for agricultural development. It does reflect a division at the top of public leadership which is dysfunctional to total achievement in agricultural coordination.

Much of the reason for their poor performance also lies in socio-economic forces which operate in the area. While it has not been our specific intention to examine the socio-economic aspect, it must always be remembered that politico-administrative manifestations are grounded in the socio-economic setting and the former can only be fully appreciated when it is totally grounded in the latter. We have stressed the former, however, so that an appreciation of the latter might be expanded and reinforced and so possibly contribute to further understanding of the former.

CONCLUSIONS

In examining the question of politicio-administrative challenges to agricultural development, several issues were raised. These could be

polarized around two extreme types of public leadership. One, who se himself as a glorified game warden, who now and again steps out fro the agricultural headquarters in the Botanic Gardens to assist in the in troduction of a new specie or to prevent the extinction of one The other extreme case is that of public leaders who engage in consi derable amounts of learned talk; exhortations in attempts to persuad and the construction of drawings and models, but, like a cocktail com mando, is unable or unwilling to demonstrate the skills needed b agriculturists or become involved in the green revolution.

Between these two extremes, there is continued need to make:

— a quantitative increase in food supply;

— a qualitative increase in nutrition levels; and

— a rise in farmers' real incomes and growth and diversificatio in employment.

These are needed not only because a sturdy peasantry may b desirable or because of the aesthetic value of a well-tended landscape bu because it means life or death, or more directly, to move people upward away from a level of life which is a living death. What we have sai here, we hope, would help point the way to move men to grasp th challenges presented and by the ingenuity of public leadership increa and regularize production to meet in a systematic fashion the agricul tural needs of the Caribbean.

A PROFILE OF DEVELOPMENT BUREAUCRACY IN INDIA

V. A. Pai Panandiker & S. S. Kshirsagar

AS a key policy and administrative institution, public bureaucracy has been the focus of many a research work in public administration, political science and sociology. The main concern of the researchers in public administration has been the part played by the bureaucracy in the formulation, shaping and implementation of public policy. Implicit in this policy role of the bureaucracy is that the behaviour of the civil servants profoundly affects the state policy, and sometimes even the character of the state itself.

The concerns about the role of the bureaucracy are especially important in the developing countries, like India, where the state has taken upon itself the responsibility of bringing about vast socio-economic changes through the instrumentalities of planning, etc. The brunt of this role and consequent responsibilities has inevitably fallen upon the public bureaucracy. As a result, both students and practitioners of public administration are evincing increasing interest in studying the behaviour of public servants in developing countries.

The interest in bureaucratic behaviour has naturally led to further efforts to identify the factors that direct and shape behaviour of civil servants. One group of factors, which has interested the researchers for its influence on bureaucratic behaviour, relates to the background characteristics of the civil servants. Questions are often asked: Who are the civil servants? What are their educational attainments? What is their family background and origin? Which occupational groups are they drawn from? What happened to them in their 'work-life'? To provide answers to these questions, a few research studies have been conducted in India in the last decade or more. Illustrative of these studies are those conducted by R. K. Trivedi and D. N. Rao,[1] V. Subramaniam[2], V. A. Pai Panandiker[3] and C. P. Bhambhri.[4]

[1] R. K. Trivedi and D. N. Rao, "Higher Civil Service in India", *Journal of the National Academy of Administration*, Vol. 6, No. 3, pp. 33-64.

[2] V. Subramaniam, "Representative Bureaucracy: A Re-assessment", *American Political Science Review*, Vol. 61, No. 4, pp. 1010-1019.

[3] V. A. Pai Panandiker, "Values, Attitudes and Motives of Civil Servants", *Indian Journal of Public Administration*, Vol. 12, No. 3, pp. 344-358.

[4] C. P. Bhambhri, *Bureaucracy and Politics in India*, Delhi, Vikas, 1970.

The study reported in this article was conducted as a part of a broader study of bureaucracy. However, in this article, the focus is confined largely to the profile of the Indian bureaucracy in the developmental spheres and how it compares with its counterparts in other countries. Admittedly, such comparisons are difficult to make due to differences in the sample of the civil servants studied, the socio-economic background characteristics considered, and the time of undertaking the studies. The comparative data presented in the following pages, therefore, need to be interpreted rather broadly to arrive at a degree of commonality among the civil servants across national frontiers. To the extent that similarities in the profile of civil servants from different countries are identifiable, it could help in the development of a common body of knowledge useful both for theory building and in the administration of policies and programmes in many countries.

METHODOLOGY

The term 'development bureaucracy' is used here to describe civil servants working in government agencies essentially engaged in developmental programmes. The study was conducted in four such agencies. Two of these (Agencies *A* and *B* in Table 1) were engaged in development programmes in the field of industry and the remaining two (Agencies *C* and *D* in Table 1) carry out development programmes in the field of agriculture. Two of the four organizations studied (Agencies *A* and *C*) were central agencies and the other two (Agencies *B* and *D*), state agencies. Insofar as the type of office was concerned, three of the four agencies studied (Agencies *A*, *B* and *C*) were of the "secretariat" type and the fourth (Agency *D*) was a field agency. All the four agencies were located in and around the Union Territory of Delhi to facilitate the interview and research effort.

For the purposes of the study, it was found that class III did not participate in any of the developmental work. Hence, the study was confined to class I, II (and) III civil servants employed in the above-mentioned four agencies. The total in all these three classes at the time of the study was 911 civil servants. The questionnaire was administered to all the 911 civil servants. Of these 723 responded giving the rate of response of 79.3 per cent Table 1 below describes the distribution of the respondent-civil servants of this study according to their class and the agencies which employed them.

When classified according to their present class of service, about 19 per cent of the 723 respondents belonged to Class I, about 18 per cent to Class II and the remaining 63 per cent to Class III. The part

Table 1

Respondents by Class and Employing Agencies

Agencies and Class	*Number Responding*
Agency A (Industry) Total	215*
Class I	86
Class II	80
Class III	48
Agency B (Industry) Total	109
Class I	3
Class II	14
Class III	92
Agency C (Agriculture) Total	137
Class I	44
Class II	26
Class III	67
Agency D (Agriculture) Total	262
Class I	4
Class II	16
Class III	242
Grand Total:	723

*One respondent did not report his class.

structured questionnaire, which the above mentioned 723 civil servants filled in, sought information about various aspects of themselves and their life experience including age, education, rural/urban upbringing, parental occupation, service in the government, advancement in the service, in-service training received, etc. The information, thus, obtained was coded, machine processed and analysed to yield the various tables and findings presented in the following sections.

We do not claim that the respondents in the present study constitute a representative sample of the civil service in India. The sample

admittedly contains a much higher proportion of higher class civil servants than in the general composition of the civil service. Secondly, the study covered only two development sectors, namely, agriculture and industry and that too in a limited geographic sector. Nevertheless, the 723 civil servants in the sample of the study are engaged in the administration of important development programmes in which higher level public servants are often called upon to play a crucial role. The study of the profile of such a group is, therefore, of considerable value both for studies of bureaucracy and even comparative public administration.

DESCRIPTION OF THE PROFILE

The profile of these respondents was examined along the dimensions of marital status, rural/urban background, educational attainments, parental occupation, economic class origin, pre-entry experience, year and mode of entry into government service, upward mobility, in-service training received, and professional interests. The findings are presented below.

Age

As Table *A* in the Appendix[5] shows, about 70 per cent of the total respondents of the study are in the age group of 21-40 years and the remaining 30 per cent, above 40 years. If those between 21-33 years are classified as "young", those between 36-45 years as "middle-aged" and those above 46 as "older", it is found that 51.87 of the respondents are "young", 29.59 per cent "middle aged" and 18.26 per cent "older". The age distribution of the respondents according to their class of service is given in Table 2.

A study[6] of the higher civil servants (*GS*15-18) in the U.S. Government shows that 82 per cent of them are 45 years old and over. Similarly, the higher civil servants in Britain have been found to include about equally high proportion of 'older' people.[7] For comparative purposes, taking class I civil servants to be the higher civil servants, Table 2 shows that out of 137 class I respondents of the present study only about 36 per cent were 'older'. The higher civil servants at least

---

[5] All basic tables describing the frequency distribution along background characteristics of the respondents are presented in the Appendix. Bi-variate tables are, however, incorporated in the body of the article.

[6] David T. Stanley, *The Higher Civil Service*, Washington (DC), Brookings Institution, 1964, p. 24.

[7] R. K. Kelsall, *Higher Civil Servants in Britain*, London, Routledge and Kegan Paul, 1955, pp. 196-200.

Table 2

Age Distribution of Respondents by Class of Service

Age Groups	*Class of the Respondents*		
	Class I *Per cent*	*Class II* *Per cent*	*Class III* *Per cent*
Young (21-35)	23.3	34.6	65.9
Middle-aged (36-45)	40.9	32.3	25.4
Older (46)	35.8	33.1	8.7
Total	100.0 (*N* = 137)	100.0 (*N* = 136)	100.0 (*N* = 449)

Note: Mean Age Class I — 41.8 years.
Class II — 40.9 years.
Class III — 34.1 years, and
whole group — 36.8 years.

in the development bureaucracy in India are thus, found to be much younger than those in the U. S. A. and the U. K. An examination of some of the other experiences showed that the higher civil servants in developing countries, like Egypt and Pakistan, also displayed a similar pattern. The Berger (1957)[8] study of Egypt, for instance, showed that about 50 per cent of the higher civil servants were less than 45 years old. Similarly, Ahmed's (1964)[9] study of the Pakistan civil service shows that about the same proportion of higher civil servants in Pakistan were less than 45 years of age.

Are the differences in the age of the respondents employed in the four agencies studied? Analysis of the data showed that the two central agencies (*A* and *C*) were somewhat composed of "older" personnel, while the two state agencies (*B* and *D*) were found to be made

[8] Morroe Berger, *Bureaucracy and Society in Modern Egypt*, Princeton (New Jersey), Princeton University Press, 1957, p. 41.

[9] Muneer Ahmad, *The Civil Servant in Pakistan*, London, Oxford University Press, 1964, p. 47.

up of younger people. The mean age of the respondents from agencie *A* and *C* was 40.8 and 38.6 years respectively, while the mean age of th respondents employed in the two State agencies *B* and *D* was 34.6 an 32.5 years respectively. This difference could, however, be explaine by the fact that the lower level civil servants who are relatively younge in age were employed in larger proportion in the state agencies.

Rural/Urban Background

An oftdebated point about representative bureaucracies, especially in the developing democracies, like India, is the adequate representatio of rural and urban sub-cultures in the civil services. The argument is that the cultural differences between the urban and the rural backgrounds have significant implications in the performance of bureaucracies and the citizens responsible to them.

Assuming that the place of birth indicates rural/urban background, it was found (*See* Table *B* in the Appendix) that nearly 60 per cent of the respondents of this study came from rural background while only 22 per cent came from urban and metropolitan backgrounds. However, the data also show that the weight of urban background increases when the criterion is the place lived in most by the respondents during adolescent years. Thus, in contrast to 60 per cent of the respondents born in rural areas, only about 50 per cent reported to have "actually lived" in rural areas up to the age of 18 years. The migration to urban centres was probably for the purpose of secondary and higher education for which the facilities were not then available in the rural areas. Nonetheless, that the larger proportion of civil servants in the present sample had a predominantly rural background was important much as they did worked in the agricultural and state level agencies even in the important field.

Further analysis of the rural/urban background of the civil servants, according to the class of service revealed interesting differences as shown in Table 3 on page 511.

The abovementioned table indicates that among the higher civil servants, especially in class I, there was a lower proportion of those brought up in rural surroundings and a higher proportion of those who spent their "impressionable" years in urban type of areas. Again, these differences were found to be associated with differences in the levels of education attained by the respondents in the three classes. As reported later, the proportion of highly educated civil servants is much higher among the higher class than among the lower class.

Table 3

Rural/Urban Background by Class

Place stayed in up to 18 years	*Number of Respondents*		
	Class I	*Class II*	*Class III*
	Per cent	*Per cent*	*Per cent*
Rural	24.8	34.5	60.4
Semi-urban	30.7	28.0	14.3
Urban	27.0	22.8	12.2
Metropolitan	16.8	12.5	12.5
Not Reported	0.7	2.2	0.6
Total:	100.0 (N = 137)	100.0 (N = 136)	100.0 (N = 449)

Comparative data relating to the backgrounds of American and British civil servants could not be obtained. However, Berger's (1957)[10] study noted that an overwhelmingly large proportion (97 per cent) of higher civil servants in Egypt had an urban background. The predominantly urban character of the elite in the civil service of developing countries is also demonstrated by a study of Indian Administrative Service personnel.[11] The study reported that 77 per cent of the IAS officers came from urban centres of population.

Apart from its importance for representative character of the Indian bureaucracy, the rural/urban background of the civil servants could also be considered useful for effective implementation of development programmes in the industrial and agriculture sectors. The findings of the study in this regard are presented in Table 4.

As Table 4 indicates, except in Agency D, the employees in agriculture and industrial development agencies do not differ much in terms of their rural/urban background. The findings of the study about the civil servants in Agency *D* are encouraging because this agency handles most of the work relating to agricultural development programme at the field level. The predominantly rural background of the employees

[10] Morroe Berger, *op. cit.*, p. 42.
[11] C. P. Bhambhri, *op. cit.*, p. 63.

Table 4

Rural/Urban Background and Agencies Studied

Place stayed up to 18 age	Number Reporting by Agencies			
	A(Ind)	B(Ind)	C(Agri)	D(Agri)
	Per cent	Per cent	Per cent	Per cent
Rural	26.1	42.2	41.6	73.7
Semi-urban	27.9	23.8	24.1	9.5
Urban	27.4	11.9	23.4	7.2
Metropolitan	17.2	22.1	10.2	8.0
Not Reported	1.4	..	0.7	1.6
Total:	100.0 (N = 137)	100.0 (N = 262)	100.0 (N = 215)	100.0 (N = 109)

of this agency from a policy point of view could thus be a source of strength in its functioning. Similarly, Agency *A* deals with development programmes mostly of organized industry so that the urban background of a large proportion of its employees may be helpful in better appreciation of industrial matters. Overall, however, rural/urban background differences between the respondents according to the employing agencies were not found to be as sharp as those according to their class of service.

Parental Occupation

The parental occupational bakground of the civil servants studied is described in Table *C* in the Appendix. The most commonly reported family occupational background was: Government service, agriculture, and business. Almost equal proportion of the respondents have or had their parent serving either in the government, or engaged in agriculture or in business. In contrast, only little over 12 per cent of the civil servants in the sample belonged to the families of independent professionals and teachers.

It is interesting to compare the foregoing findings about the family background of the respondents of the present study with similar study conducted by Pai Panandiker among the civil servants working in a

traditional governmental agency which was 'sufficiently bureaucrati in its structure'.[19] Table 5 shows difference in the family backgroun of the two sets of civil servants.

Table 5

Parental Occupation Compared

Family background	*Number Reporting*	
	Present Study Per cent	*Panandiker Stud* Per cent
Government Service	27.9	45.0
Agriculturist	28.1	18.4
Business	27.4	25.6
Professionals	5.7	11.0
Teachers	6.8	—
Others	0.5	—
Not Reported	3.6	—
Total:	100.0 ($N = 723$)	100.0 ($N = 109$)

The study (Table 5) clearly indicates that the developmental an non-developmental or traditional government agencies are staffed b civil servants with varying family backgrounds. Apparently th children with the family background of government service are mo attracted towards established traditional government agencies tha towards the developmental agencies. Further analysis of th background of the respondents according to their class yielded th results (see Table 6 on page 514).

It is apparent from the above mentioned results that while govern ment service was a pronounced feature of the family background of cla I and II respondents, the class III respondents were more often the son of agriculturists. In other words, the higher the class of respondent the higher the chances of their coming from civil service family back grounds. Similarly, the families of independent professionals, lik doctors, lawyers and teachers, appear to contribute more to high classes than to class III of the civil service.

[19] V. A. Pai Panandiker, op. cit.

Table 6

Parental Occupation by Class

Parental Occupation	*Number Reporting*		
	Class I Per cent	*Class II Per cent*	*Class III Per cent*
Government Service	34.3	36.0	23.6
Agriculturist	13.9	11.0	37.6
Business	23.4	28.7	28.3
Professional	9.5	11.0	2.9
Teaching	16.1	8.1	3.6
Other Occupation	0.7	2.2	—
Not Reported	2.1	3.2	4.0
Total:	100.0 (*N* = 137)	100.0 (*N* = 136)	100.0 (*N* = 449)

These results of the present study about the family background of class I civil servants are comparable to V. Subramaniam's study about the socio-economic class origin of members of all India services, like I.A.S., I.F.S., I.P.S., and Accounts Service.[18] He found the following pattern of family background of the members of these elite services: Government service 32.7 per cent; professionals (Doctors, lawyers and the like) 13.02 per cent; business (businessmen and business employes) 18.9 per cent; agriculturists (land owners and farmers) 13.6 per cent; and other occupations (workers, artisans, etc.) 4.6 per cent. Thus, class I civil servants in the government of India appear to have similar socio-economic class origins as the development bureaucracy covered in the present study.

Further analysis of the family background of the respondents according to the agencies studied showed the following results.

As expected, the results show (Table 7) that there is a higher representation of agricultural families in the agencies dealing with agricultural development programmes though in varying proportions between headquarters and field agency. Likewise, the business community

18 V. Subramaniam, op. cit.

Table 7

Parental Occupation by Officers Studied

Parental Occupation	*Number Reporting by Agencies*			
	A(Ind) *Per cent*	*B(Ind)* *Per cent*	*C(Agr)* *Per cent*	*D(A* *Per ce*
Government Service	35.8	29.4	32.1	18.7
Agriculturists	10.7	14.7	22.6	50.8
Business	30.7	38.5	26.3	20.6
Professional	8.8	6.4	8.8	1.1
Teachers	8.8	6.4	8.8	4.2
Others	1.0	0.9	0.7	—
Not reported	4.2	3.7	0.7	4.6
Total:	100.0 (N = 137)	100.0 (N = 262)	100.0 (N = 215)	10C.0 (N = 1

contributed more personnel to the agencies concerned with indust development programmes. Table 7 also shows that the central agen (*A* and *C*) include generally higher proportion of the sons of governm servants than the state agencies (*B* and *D*) The former have employed a higher proportion of civil servants from the families of dependent professionals and teachers. On the other hand, excep agency *D*, the families of government servants appear to be simil represented in the offices studied. Agency *D* is predominantly a agency at the state level. The brunt of the work of this agency carried out by cass III civil servants who, as noted earlier, hail more o from the families of agriculturists than from those of civil serva

There appears to be common tendency among developing co tries that their higher level civil servants are drawn heavily from families of Government servants. Thus Berger's study in Egypt vealed that about 40 per cent of higher civil servants were sons government servants.[14] Similarly, the parents of nearly two-third the civil servants in Pakistan were found to be in government empl ment.[15] In contrast, in a western country, like the U.K., only 10 cent of the senior civil servants have parents in the civil service.[16]

14 Morroe Berger, op. cit., p. 45

15 Muneer Ahmad, op. cit., p. 52.

16 R. K. Kelsall, op. cit., pp. 150-152.

Economic Class Origin

An important background characteristic which is so regarded in most countries and sociological studies is the economic class of origin. Amongst other things, a proper representation in this respect is believed to create a better appreciation and understanding of the problems of the common people. The general belief, however, is that the civil service in India is largely manned by the people from upper and middle classes. The present study does not bear out this impression.

The respondents were asked to report the income of their father/guardian at the time they took up their first job. The replies, as shown in Table *D* of the Appendix, indicate that as many as 52 per cent of the respondents come from middle lower or lower class families with the income of up to Rs. 250 per month. On the other hand, little over 11 per cent of the respondents were drawn from upper class families with monthly income of Rs. 751 and above.

The data also reveals (Table 8), as was expected, that a higher proportion of class I civil servants in the sample belonged to better off families is upper and/or middle class families (26 per cent in class I as against about 8 per cent each in class II and III).

Table 8

Economic Class Origin by Class of Service

Parental Class Reported	*Number Reporting*		
	Class I Per cent	*Class II Per cent*	*Class III Per cent*
Upper	8.8	1.5	2.7
Upper-middle	17.6	7.3	5.0
Middle	33.6	46.3	24.9
Middle-lower	25.5	24.3	35.8
Lower	10.9	16.9	25.6
Not Reported	3.6	3.7	6.0
Total:	100.0 (*N* = 137)	100.0 (*N* = 136)	100.0 (*N* = [illegible])

Levels of Education

Of the various background characteristics, the levels of education attained by the civil servants is regarded as a crucial variable. In this study, it was found that nearly 50 per cent of the respondents did not have a university degree (Table *E* of the Appendix). Even so, the developmental agencies appear to have a somewhat higher proportion of university graduates than the traditional agencies. The Pai Panandiker study referred to earlier reported that 64 per cent of the respondents did not have any university education and that only 36 per cent were university educated.[17] The results of the present study also importantly show that almost 20 per cent of the respondents possessed post-graduate degree, suggesting a generally higher educational level in the developmental agencies.

Where did the respondents undergo their higher education? The data indicates that only 5 per cent of the respondents had received education in foreign universities. It is also interesting to note that about 13 per cent of the respondents reported to have attained the highest level of their education since joining the government service. These results suggest that advancement in the civil service has some relationship to the educational attainments. That it is so is also demonstrated by Table 9 on page 518 about the levels of education of the respondents of this study according to their class.

As Table 9 shows, bulk of the class III civil servants were high school, graduates or have had some college education. In contrast, only about two per cent of the Class I respondents have been educated at the level of intermediate or below. On the other hand, the proportion of university educated civil servants is found to be higher among the higher classes. Thus, among class I respondents 91 per cent had Bachelor's and higher degrees; in fact, over 48 per cent held post-graduate degrees. Nonetheless, it is significant to note that about one-third of the class III civil servants in the sample were graduates and post-graduates.

How do the class I civil servants in the study compare with their counterparts in other countries in regards to their educational attainments? In the sample of the U.S. civil servants studied by Stanley[18], 96 per cent had Bachelor's or advanced degrees. Similarly, 90 per cent of the higher civil servants in Egypt are reported to have attained

[17] V. A. Pai Panandiker, *op. cit.*, p. 561.
[18] David T. Stanley, *op. cit.*, p. 30.

bachelor's and higher levels of university education.[19] Ahmed's[20] study also shows that a vast majority of higher civil servants of Pakistan

Table 9

Levels of Education by Class

Levels of Education	*Number Reporting*		
	Class I Per cent	*Class II Per cent*	*Class III Per cent*
High School	1.5	14.7	60.6
Intermediate & equivalent	0.7	—	6.0
Diploma	6.5	11.8	1.5
Bachelor's degree	42.3	42.7	24.3
Master's degree	39.3	30.1	7.6
Doctorate	9.0	0.7	—
Not reported	0.7	—	—
Total:	100.0 (*N* = 137)	100.0 (*N* = 136)	100.0 (*N* = 449)

similarly possessed higher degrees. In other words, the higher civil servants in developed as well as developing countries, thus, appear to be generally a highly educated group.

We also analysed the educational levels of the respondents according to the agencies employing them. The results are described in Table 10 on page 519.

The levels of education attained by the civil servants in central agencies (*A* and *C*) is thus often higher than that of the civil servants working in state agencies (*B* and *D*). The data also show that the respondents concerned with agricultural development programmes at the field level have often less formal education than their counterparts in the secretariat. While 31 per cent of the respondents drawn from agency *D*, which is a block development office, were university educated, the proportion of university educated among the respondents of agency *C*, which is secretariat type, was found to be as high as 79 per cent.

19 Morroe Berger, *op. cit.*, p. [illegible].

20 Muneer Ahmad, *op. cit.*, pp. [illegible].

Table 10

Educational Attainments by Agencies Studied

Levels of Education Attained	*Number Reporting by Agencies*			
	A(Ind) *Per cent*	*B(Ind)* *Per cent*	*C(Agr)* *Per cent*	*D(Agr)* *Per cent*
High School	27.9	39.4	16.8	64.1
Diploma/some college education	12.0	12.0	4.4	5.0
University Degree	60.5	48.6	78.8	30.9
Not reported	0.9	—	—	—
Total:	100.0	100.0	100.0	100.0
	(*N* = 137)	(*N* = 262)	(*N* = 215)	(*N* = 105)

We also enquired into the major academic fields of study of the the respondents. Since some kind of specialization is possible at the degree level and above, we considered only the university educated respondents for this purpose. As table 11 shows, over 41 per cent of the graduate respondents studied social sciences for their university degree. On the other hand, technical or applied fields, like agriculture and engineering, explained 35 per cent of the university educated respondents and pure sciences for 22 per cent of the respondents.

The high percentage of graduates in scientific and technical subjects in the sample of the civil servants studied is explained by the fact that the nature of the functions of the four agencies was considerably specialized. In the earlier Pai Panandiker study of the civil servants in a traditional governmental agency, 68 per cent of the respondents who were university educated were found to have studied humanities and social sciences, while only 32 per cent were graduates in science subjects.[illegible]

Marital Status

A question of some sociological importance is the marital status of the respondents and their dependency responsibilities. It was found that about 92 per cent of the civil servants studied were married. The

[illegible] V. A. Pai Panandiker, op. cit., p. [illegible].

Table 11

Subjects Studied at University Level

Subjects Studied	*Number Reporting Per cent*
Agriculture and allied subjects	21.8
Physics, Chemistry, Geology, and Mathematics	22.3
Engineering	13.1
Social Sciences	41.4
Other fields of study	0.9
Not reported	0.5
	100.0 ($N = 367$)[20]

number of persons dependent on them varied between 1 and 5. It is, however, noteworthy that 55 per cent of the 'single' civil servants had dependency responsibilities. The data, thus, show that most of the civil servants in the present study were at a stage in their life when they should "begin taking things seriously."

Prior Experience

In trying to ascertain the work experience of the respondents before they entered the government service, the intent was to find out the extent to which civil service becomes the sole career as well as the extent of its open character. The study found that 62 per cent of the respondents entered the government service without having previous work experience. It is noted later that 80 per cent of the respondents of this study joined the government service initially in class III with very little or no experience of previous work. It follows, therefore, that the bulk of the respondents who had previous experience joined the government service at the levels of class I and II.

The foregoing pages described the social background of the respondents. In the remaining part of this article we deal with the profile of the respondents as government employees.

[20] Out of [illegible] respondents, 367 had university education. Remaining 256 respondents were matriculates, diploma holders or had limited college education.

Length of Service

As suggested in Table *F* of the Appendix, the bulk of the respondents (72 per cent) joined government service during the plan periods beginning 1950-51. This indicates that development bureaucracy in India grew mainly under the aegis of Five Year Plans and did not involve much transfer of personnel from other areas.

Further analysis showed that the respondents had put in an average of 13.8 years of service in the government. Earlier, it was noted that the average age of the respondents is 36.8 years. This implies roughly that the average respondent entered the government service at the age of 23. The recruitment to the civil service thus appears to be made largely on the basis of 'catch them young'.

As regards the mode of entry, it was found, as shown in Table G of Appendix, that little over 50 per cent of the respondents were recruited through employment exchange plus interview. Another mode of entry reported by the second largest group of respondents (30 per cent) is direct recruitment through open advertisement and interview by the concerned office. On the other hand, 15 per cent of the respondents came into the government service as a result of recruitment by open competitive examination of the Union Public Service Commission (UPSC) or the single oral interview by the Commission. That a small proportion of the respondents were recruited by the UPSC or the State Public Service Commission is explained by the fact that bulk of them entered the government service initially in the lower class of service, recruitment to which is outside the jurisdiction of the UPSC or the State PSC. The results also show considerable autonomy enjoyed by the development agencies studied in the matter of recruitment of personnel.

The data also showed that as at present, little over half of the respondents of this study were permanent employees in the government service, about 23 per cent are quasi-permanent and the remaining 27 per cent had a temporary status. This distribution of the respondents according to their employment status gives an idea of the stability of the development programmes handled by the agencies covered in the study as also of the recruitment policies of the government.

Class Initially Joined

The study showed that nearly 81 per cent of the respondents joined the government service initially in class III and only little over 13 per

cent in class I and II (Table *H* of Appendix). It is also noted that 3.2 per cent of the civil servants in the sample initially joined in Class IV service. When the data relating to the present class composition of the respondents was juxtaposed with the class initially joined in by them, the following distribution pattern emerged (Table 12).

Table 12

Class Initially Joined by the Class at Present

Class Initially Joined	*Class at present* *Class I* *Per cent*	 *Class II* *Per cent*	 *Class III* *Per cent*
Class I	28.5	—	—
Class II	27.7	14.7	—
Class III	32.1	83.1	94.0
Class IV	—	—	5.1
Not reported	11.7	2.2	0.9
Total:	100.0 (*N* = 137)	100.0 (*N* = 136)	100.0 (*N* = 449)

It is evident from Table 12 that the initial intake of personnel in the civil service is predominantly at class III level. Nearly 69 per cent of the respondents now in class I and 83 per cent of respondents now in Class II got there as a result of promotion from lower positions. The respondents have, thus, reported fairly high inter-class mobility which again is the result of the career staffing system in vogue in the government.

Upward Mobility

The question arising from the inter-class mobility of the respondents is how far each of them has advanced in the service in the government. As Table I of the Appendix shows, 34.4 per cent of the respondents have not got any promotion since joining the government service. About the same proportion of the civil servants in the sample reported to have received two or more promotions. Nearly 30 per cent were found to have been promoted once in the service.

Among the civil servants in the sample of who have been promoted once or more times, it was found that on an average they have advanced 1.8 positions in 17.8 years. These respondents have, thus, received on an average a promotion in about 9½ years. In comparison, the higher level civil servants in the U.S. are reported to have advanced 6.3 grades in 20 years or about one grade every 3 years.[illegible] The rate of progression in the civil service in India is thus relatively slow.

Further analysis of the upward mobility of the respondents according to their class at present revealed, as shown in Table 13 that class I respondents have enjoyed more promotional opportunities (2.41 on an average) than class II respondents (2.21 on an average), while class III respondents have had least advancement opportunities (1.60 on an average). If it is assumed that the civil servants in the higher class have joined the government service earlier than those in the lower class, the results imply that the opportunities for upward mobility in the government service have declined over a number of years.

Table 13

Upward Mobility by Class at Present

Number of Promotions	*Number Reporting*		
	Class I *Per cent*	*Class II* *Per cent*	*Class III* *Per cent*
Nil	24.8	18.4	43.9
One	23.4	19.1	35.0
Two	17.5	36.1	14.7
Three	16.1	17.6	4.7
Four	14.6	7.3	1.1
Over four	2.9	1.5	0.2
Not reported	0.7	—	0.4
Total:	100.0 ($N = 137$)	100.0 ($N = 136$)	100.0 ($N = 449$)

As regards the agencies studied, it was found that except for the state agency *D*, dealing with agricultural development programmes

[illegible] David T. Stanley, *op. cit.*, p. 37.

in the field, other agencies studied have offered more or less equal number of promotional opportunities to an average promoted civil servant employed by them. Agency *D* also had the largest percentage of non-promotees (57 per cent) compared to those in the other three agencies (16—26 per cent).

In-Service Training

A question of special interest to students and practitioners of public administration is the formal training of the civil servants. The amount of formal training received by the civil servants in the sample of the present study is shown in Table *J* of the Appendix.

The study found that as many as 68 per cent of the respondents have not been exposed to any formal training during their service in the government. Only 16.5 per cent of the respondents appear to have received a reasonable amount of formal training, that is for a period of over three months. The remaining 15.3 per cent were trained for periods lasting only up to about three months.

As regards the type of training, the data showed that nearly 49 per cent out of the 232 trained respondents had received training in agriculture, including in extension and cooperation ; 23 per cent were trained in managerial and executive skills; 12.5 per cent in technical work; and 13.5 per cent in secretarial work. In other words, formal training as a deliberate policy and managerial instrument appears to have been more systematically used in agricultural programmes than in others including the industrial ones.

The question whether the civil servants in the three classes differed in terms of the formal training received by them was also examined. The results are described in Table 14.

As Table 14 shows, the bulk of the civil servants in all the three classes have not thus been exposed to any formal training. Nor does the length of training received appear to vary according to the class of service. Further analysis, shows that among the trained class I respondents, the amount of formal training received was on an average 5.8 months and that among the trained class I respondents, it was 5.2 months. The figure for class III respondents was also about the same—5¼ months to be precise. These results suggest that most of the formal training is imparted to the civil servants in the earlier years of their service in the government.

Table 14

Formal Training Received by Class at Present

Length of Training	Number Receiving Training		
	Class I *Per cent*	*Class II* *Per cent*	*Class III* *Per cent*
Nil	63.5	62.5	71.2
Up to 3 months	14.6	19.8	14.2
3—6 „	11.0	10.3	7.1
6—12 „	5.1	2.2	3.3
12—24 „	5.1	3.7	3.8
Over 2 years	—	1.5	0.4
Not reported	0.7	—	—
Total:	100.0 (*N* = 137)	100.00 (*N* = 136)	100.0 (*N* = 449)

The study also found that the civil servants handling agricultural development programmes are more often formally trained than those handling industrial development programmes. While 40 per cent of the civil servant-respondents working in the field of agricultural development were found to be formally trained, the number of trained civil servants in the industrial development programmes was only 21 per cent. However, the extent of such training amongst the trained respondents is found to be highly comparable, indicating thereby that the training efforts of both these agencies are thinly spread. It appears that the major focus of such training is to bridge gaps in the knowledge of the trainees required for the efficient performance of their immediate work assignments than to prepare them for a broad range of activities.

Professional Interests

Lastly, the respondents were asked about their professional interests because such interests indicated the desire of the respondents to expose themselves to new thoughts and norms of behaviour in the profession. The professional examinations passed by the respondents and their reading habits and membership of professional bodies gave us a rough measure of professional interests and perhaps development.

It was found that 90 per cent of the civil servants in the sample studied have not taken up any professional studies and examinations. The remaining 10 per cent have passed such examinations either before or after joining the government service; some reported to be preparing for them. Almost 68 per cent of the respondents neither read any professional journals nor were members of any professional associations. The remaining 32 per cent respondents reported to be doing either of the two things or both the things, that is reading professional journals and holding membership of professional societies (see Table *J* of Appendix). When, however, the professional interests of the respondents were analysed according to the class of service, interesting differences were noticed as shown in Table 15 below.

Table 15

Professional Interests by Class at Present

Type	*Number Reporting*		
	Class I *Per cent*	*Class II* *Per cent*	*Class III* *Per cent*
Read professional journals only	36.5	25.0	6.9
Member of professional societies only	5.1	6.6	6.2
Read professional journals and member of professional societies	34.3	13.2	2.2
Neither read professional journals nor member of any professional association.	24.1	55.1	84.7
Total:	100.0 ($N = 137$)	100.0 ($N = 136$)	100.0 ($N = 499$)

The foregoing results are encouraging as they show that higher level civil servants more often evidence professional interests than lower level civil servants. As regards the agencies studied, it was found that the higher proportion of respondents in the state level agencies (*B* and *D*) do not have professional interests of the type considered in this study as that among the respondents working in central agencies (*A* and *C*). About 81 per cent respondents in the state agencies did not read any professional journals nor were members of professional associations.

The percentage of such respondents in the central agencies was about 33 per cent. The difference in the professional interests of the respondents were more pronounced according to whether they were working in central or state agencies than according to the development sectors in which the agencies were engaged.

A PROFILE AND CONCLUSIONS

Before attempting any generalizations or conclusions on the basis of the profile of the development bureaucracy, one word of caution is warranted. The relationship of bureaucratic behaviour to the pre-service background characteristics has not yet been clearly established. Whether or not the family background for instance creates any "value" problems is not known. On the other hand, post-entry service factors, such as training seem to show a greater degree of influence on such behaviour.[34] Besides, the theory of representative bureaucracy, however appealing, has yet to be proven.[35] To the extent that studies of bureaucratic profiles enable building theory of bureaucratic behaviour, they serve important academic purpose. However, the practical utility of using both the pre-service and post-service factors is greater especially in deciding the strategies of action relating to recruitment, selection, and training of bureaucrats.

Within these parameters, the following bureaucratic profile emerges from the present study. Development bureaucracy in India appears generally younger as compared to the traditional bureaucracy. In this respect, the development bureaucracy appears somewhat closer to the relatively newer bureaucracies, such as of Egypt, as reported by Morroe Berger,[36] and of Pakistan, as reported by Muneer Ahmed.

Unlike the Egyptian bureaucracy, however, the development bureaucracy in India is more rural- 60 per cent on the basis of place of birth and 50 per cent on the "actually lived" basis. A general conclusion on the findings of the study is that the lower the class of civil servants, the higher the rural background. Indeed, lower class jobs seem dominated by civil servants with rural background.

Insofar as the occupational background of parents is concerned, the development bureaucracy seems generally more "representative" of

---

[34] V. A. Pai Panandikar & S. S. Kshirsagar, *Civil Service and Development Administration in India*, New Delhi ; I. I. P. A., 1968 (Mimeo).

[35] See for instance V. Subramaniam, "Representative Bureaucracy: A Reassessment" *American Political Science Review*, Vol. 61, No. 4, pp. 1010-1019.

[36] Morroe Berger, *op. cit.*

the various national groupings as compared to the traditional bureaucracy. Comparisons with the Egyptian and Pakistan civil service in this respect also suggests that the distribution of Indian development bureaucracy is more even whereas the Egyptian and Pakistan bureaucracies are somewhat more inclined to reproduce themselves. A general conclusion, however, is that the higher the class of development bureaucrat, the greater the chance of his coming from civil service family background and, conversely, the lower the chance of coming from agricultural family background.

An important finding of the study is that the development bureaucracy in India is not dominated by the middle and upper middle classes which is the general pattern in many bureaucracies of both the developed and developing countries. To that extent, again, the "representative" character of the development bureaucracy in India seems greater. However, the question whether this has any measurable impact on its performance remains to be answered.

The study also shows that development bureaucracy in India is more educated than the traditional bureaucracy. As expected, the higher the class of the respondents the greater was the level of educational attainments. In this respect, the Indian bureaucracy compares favourably with the U.S. higher civil service groups. Another finding reveal that the developmental agencies of the Government of India have better educated bureaucrats. Insofar as the academic disciplines are concerned, the social sciences seem to dominate even in the development bureaucracy in India.

From a practical standpoint, an important finding about the development bureaucracy is that the level of training of most of the civil servants is highly inadequate. In fact, the majority of the respondents did not seem to have received any training at all. Secondly, the development of professional interests even in the more technically based and oriented bureaucracy appears rather low. The higher class, however, revealed more positive influence in this regard which lends a degree of sophistication and developmental potential to it.

What then are the major conclusions? Studies of bureaucratic profiles may not in themselves lead to any significant conclusions unless the relationships between profile characteristics and bureaucratic behaviour are clearly established. Yet, in the absence of such established relationships, bureaucratic profiles do provide a means of studying the likely orientations. For example, the heavy urban background of the higher civil servants could be expected to create difficulties in the smooth

operations of the developmental agencies in key administrative respects. Besides the identification of important post-entry factors help considerably the use of such studies for practical purposes. Finally, it can be concluded that studies of profiles, if conducted in conjunction with behavioural studies of bureaucracies, would more effectively help in theory building as well as in solving real life problems.

APPENDIX

BASIC TABLES

Table A : Age

Age Groups	*Number of Respondents*	*Per cent*
21—25 years	49	6.78
26—30 years	144	19.92
31—35 years	182	25.17
36—40 years	128	17.70
41—45 years	86	11.89
46—50 years	65	8.99
Over 50 years	67	9.27
Not reported	2	0.28
Total	723	100.00

Table B: Rural/Urban Background

	Number Reporting			
	By Place of Birth		*By Place Lived Up to Age 18*	
Rural/urban Background	*Number*	*Per cent*	*Number*	*Per cent*
Rural	432	59.8	352	48.7
Semi-urban	121	16.7	144	19.9
Urban	108	14.9	123	17.0
Metropolitan	52	7.2	96	13.3
Not reported	10	1.4	8	1.1
Total:	723	100.0	723	100.0

NOTE — Rural — Up to population of 10,000. Semi-Urban — With population of 10,000-1,00,000. Urban — With population of 1 to 10 lakhs. Metropolitan — With population over 10 lakhs.

Table C: Parental Occupations

Parental Occupations	*Number Reporting*	*Per cent*
Government service	202	27.9
Agricultural	203	28.1
Business: self-emplyed or employed by others	198	27.4
Independent professional	41	5.7
Teaching	49	6.8
Other occupations	4	0.5
Not reported	26	3.6
Total:	723	100.0

Table D: Economic Class Origin

Parental Class Reported	*Number Reporting*	*Per cent*
Upper	26	3.6
Upper-middle	56	7.7
Middle	221	30.6
Middle-lower	229	31.7
Lower	153	21.1
Not reported	38	5.3
Total:	723	100.0

NOTE — Upper — Income of over Rs. 1,500 per months; Upper-middle — Rs. 751-1,500 p.m., Middle — Rs. 251-750 p.m.; Middle-lower — Rs 151-250 p.m., and Lower — Less than Rs. 150 p.m.

Table E: Levels of Education

Levels of Education Attained	*Number Reporting*	*Per cent*
High School	294	40.7
Intermediate and equivalent	28	3.9
Diploma	32	4.4
Bachelor's Degree	225	31.1
Master's Degree	129	17.8
Doctorate	13	1.8
Not reported	2	0.3
Total:	723	100.0

Table F: Length of Service

Length of Service	*Number Reporting*	*Per cent*
Over 30 years	21	2.9
25--30 years	81	11.2
19—24 years	101	14.0
13—18 years	135	18.7
7--12 years	246	34.0
1—6 years	120	16.6
Less than one year	13	1.8
Not reported	6	0.8
Total:	723	100.0

Table G: Mode of Entry

Mode of Entry	*Number Reporting*	*Per cent*
Through Employment Exchange plus interview	366	50.6
Direct by office through advertisement and interview	221	30.6
Through a single interview by the UPSC/State PSC	89	12.3
Through Competitive examination of UPSC/State PSC	23	3.2
Other methods	20	2.8
Not reported	4	0.5
Total:	723	100.0

Table H: Class Initially Joined

Class Initially Joined	*Number Joining*	*Per cent*
Class I	39	5.4
Class II	58	8.0
Class III	579	80.1
Class IV	23	3.2
Not reported	24	3.3
Total:	723	100.0

Table I : Upward Mobility

Number of Promotions Received	*Number Reporting*	*Per cent*
Nil	256	35.4
One	215	29.8
Two	139	19.2
Three	67	9.3
Four	35	4.8
Over four	7	1.0
Not reported	4	0.5
Total:	723	100.0

Table J: Professional Interests of the Respondents

Type of Professional Interest	*Number Reporting*	*Per cent*
Read professional journals only	115	16.0
Member of professional society only	75	10.4
Read professional journals and member of professional society	44	6.0
Neither read professional journals nor member of any professional society	488	67.5
Not reported	1	0.1
Total:	723	100.0

THE VIGILANCE SET-UP OF THE GOVERNMENT OF INDIA—SOME PROPOSALS FOR REFORM

Kailash Prakash

The vigilance set-up of the Government of India consists of the Central Bureau of Investigation (CBI), the Central Vigilance Commission (CVC), and Vigilance Branches of Ministries and Departments. The 1950s were a developmental decade in the post-Independence era. India got a new Constitution and a Parliamentary democracy. The two Five Year Plans brought about an all-round progress and development and India moved, though at a slow pace, towards socialism. The Government and administration assumed a commanding role in the economic affairs and the industrial development of the country. One could see in the administration some concern for performance, for efficiency, and for results. Nehru provided the country with leadership and inspiration to move forward.

In contrast to the 1950s, 1960s has been a disastrous decade. The two wars with China and Pakistan in 1962 and 1965 arrested the growth and progress of the country and set us on the path of national decline. Political instability coupled with the failure of the Third Plan made India a fertile soil for breeding inefficiency, character assassination and dissipation of national resources and energy. In such an atmosphere, the Santhanam Committee produced in the Government greater awareness of the extent of prevalence of corruption in the administration at all levels. Partap Singh Kairon's case in Punjab highlighted the conflict between performance, dynamism and procedural lapses and also *bona fide* and even *mala fide* errors as well as instances of corruption.

The view expressed by Shri S. Dutt, the then Central Vigilance Commissioner, in the Mussoorie Seminar on Vigilance held at the National Academy of Administration by the CVC in 1969 is significant. He said, "there is in the public mind an exaggerated idea about the extent of corruption. I do not think that there is more corruption in the public services in this country than in other countries of the world."* But what is significant is that in India atmosphere is generally vitiated by corruption, influence, patronage, and abuse of power and widespread inefficiency, whereas in many advanced countries of the world a certain

amount of corruption has acted as a spur to efficiency and progress, which has, in fact, made corruption look a bit pale when compared to performance. In contrast, in India, we find corruption or feel the pinch of corruption and still desire to pursue corruption, assuming its predominant role, because there is all-round inefficiency and lack of concern about efficiency. The myth has become greater than the fact of corruption due to general inefficiency.

This is what Gunnar Myrdal in his famous book *Asian Drama* has called "folklore of corruption", *i.e.*, "people's beliefs about corruption and the emotions attached to those beliefs, as disclosed in the public debate and in gossip". As Myrdal has stated, "this folklore has a crucial bearing on how people conduct their private lives and how they view their Government's efforts to consolidate the nation and to direct and spur development. The folklore of corruption then becomes in itself damaging, for it can give an exaggerated impression of the prevalence of corruption, especially among officials at high levels." Myrdal quotes the following statement attributed to Nehru in R. K. Karanjia's book, *The Mind of Mr. Nehru*: "Merely shouting from the house tops that everybody is corrupt creates an atmosphere of corruption. People feel that they live in a climate of corruption and they get corrupted themselves. The man in the street says to himself 'Well, if everybody seems corrupt ,why shouldn't I be corrupt?' That is the climate sought to be created which must be discouraged." The Santhanam Committee has stated: "The general impressions are unfair and exaggerated. But the very fact that such impressions are there causes a damage to the social fabric." The Committee's Report further adds: "The general belief about failure of integrity amongst Ministers is as damaging as the actual failure." The real remedy against the continuance of the so-called folklore of corruption lies, in this author's view, in convincing the people that Government are determined to put down corruption with a heavy hand and enforce all possible measures to root out the evil and that deterrent punishment will be awarded to those guilty of corruption irrespective of their social or official status.

It is also equally essential to educate the public about facts relating to those who are corrupt in comparison to those who are efficient and whose integrity stands proved. *The innocent have not been protected or respected* and *the guilty and inefficient have not been adequately and quickly punished.* There is a widespread feeling amongst the public that while minor officials are pursued and dealt with severely, the more senior people get away lightly, and that not unoften they receive sympathetic treatment both in the cognizance of complaints against them and in the conduct of investigations and inquiries against them.

This feeling seems justified when we study the annual reports of CBI and CVC and see the large number of petty cases and petty officials pursued (*see* Annexures I and II). This feeling must be removed and it will be possible to do so only if *bona fide* complaints against public servants, whatever their status, are investigated quickly and impartially. It is the delay and the excessive time taken in investigating and processing of cases that is eating into the vitals of efficiency and into the morale of our public services because the guilty escape for too long, and the innocent suffer humiliations and are tortured, for too long. There are no time limits for anything and it is significant to note that both the CVC and CBI in their Annual Reports have avoided any reference to the time element in vigilance cases which is vital for efficiency and results. How far is it fair to conduct a post mortem enquiry with all the advantages of hind-sight in a case which took a week to decide but investigation, etc., of which last for years, is an issue which should be considered in depth.

It is felt that Government have come to acquire an excessive obsession with the general feeling of corruption in the public mind and it has almost created a leviathan in the Vigilance Organization comprising of Vigilance Branches of Departments of Ministries, CBI and CVC during the last few years because in spite of them the impression about increasing corruption, especially delay and inefficiency, continues. In many cases, these agencies only duplicate and diffuse responsibility and delay matters. The work in the Vigilance Organization has been expanding at a rapid rate during the last six years. We now have the spectacle of a rapidly growing vigilance set-up in every Ministry and Department which justifies its existence and expansion by statistics of cases taken up and with no regard to the preventive measures or impact on improving the integrity of the civil service or its efficiency. There is no time schedule and cases hang on for many years spreading demoralization all-round.

Apart from a Vigilance Organisation in every Ministry and Department, there is the expanding CBI with its Special Police Establishment (SPE) units—ever increasing in number. The author shares the remarks of the Estimates Committee, 1968-69 on the CBI and wonders what will happen to Indian administration if they continue with their statistical progress. We may have every efficient officer with initiative who has used his judgment and discretion under a vigilance cloud till he learns to play for safety first and last.

The CBI is expanding fast. It takes too long to examine the cases and prosecution cases are very few. The main role of CBI now

is that *they draw up many more cases for departmental action.* Were it not for the salutary role of CVC in some cases and were the CBI given a free hand, many more innocent persons would have suffered. I have discussed in Annexure I the facts about CBI statistics in the context of the recommendations of the Estimates Committee, 1968-69, that the CBI can justify its effectiveness by a few selected important cases efficiently handled in place of petty ones.

The CVC has become one more agency in the vigilance set-up. In many cases, it has a salutary role and has had an effective check on the indiscretions and excesses of the CBI, as well as those of vigilance branches in Ministries and Departments. It is possible that in future the CVC may also get bureaucratized and be taken over by Parkinson's Law. The general disposal of work by the CVC in some cases has been quite good, and some cases have been expedited though one *could find a very large number of cases where it has been quite slow. The main failure of the CVC is its inability to observe any time schedule over the disposal of cases.* In fact, the creation of CVC, while playing the positive role of a check on Departments and the CBI, has tended to discuss the responsibility for investigation, processing of cases and the taking of the final decision *because of too many consultations with too many agencies.* Many Departments have more or less abdicated their initiative, judgment and responsibilities to the CVC. Unless the CVC can get minor cases completed within three months and major cases within a year, this almost parallel set-up cannot prove useful. It is impossible for the CVC to do justice to so many cases and, therefore, it will have to confine itself to major cases pertaining to higher levels. It must also be considered whether we should have two or more CVC if only to place on the CVC the sole responsibility for giving decisions on the cases quickly. I have discussed the facts about the performance of CVC in Annexure II—it reveals that CVC has no positive responsibility or accountability and it is pre-occupied with too many petty cases. It has tended to delay disposal of cases, rather than expedite them. There is too much secretariat notings and delays by Assistants, Section Officers, Deputy Secretary, and Secretary before CVC sees the case and he is *now obsessed with minor penalties and warnings* and exonerations are becoming less and major penalties are few.

THE OBJECTIVE OF VIGILANCE

There can be no two opinions that the objective of vigilance is not only to punish the guilty quickly but *also to protect the innocent.* This objective has not been fulfilled and the views of Justice Wanchoo Committee given below and the conclusions of the review of the CBI and

the CVC given in Annexures I and II support this conclusion and stress the *imperative need for a radical change.*

The following comments have been made by the Justice Wanchoo Committee* on the vigilance set-up:

(1) The Committee have received overwhelming evidence that the Vigilance Organization as it functions today, has the effect of killing or considerably weakening the initiative and disposition to take the right decision, creating a fear complex, a general shirking of responsibility all-round and the tendency to pass the buck upwards or sideways or set up committees;

(2) a feeling of extreme insecurity which the working of the vigilance organization has engendered has permeated down even to the lowest level;

(3) the present scheme of referring each and every case of investigation involving a gazetted official to the Central Vigilance Commission not only involves considerable delay during which the officer is kept under suspense but also materially affects the career of the officer and has a bearing on the loss of his efficiency and morale;

(4) even officers who are not actually involved in a vigilance case have been affected by the functioning of the Vigilance Ogranization and the net result is that, as a rule, officers are reluctant to act on their own responsibility even where the rules provide for discretion and invariably the endeavour, wherever possible, is to either switch on the responsibility to a colleague or superior or at least to share the responsibility with others;

(5) the practice of employing sources to gather information for starting investigation by the Vigilance is fraught with many evils and has a definite demoralising effect on the officers;

(6) the system of informers makes a mockery of the so-called directive that no notice should be taken of anonymous or pseudonymous complaints;

(7) the Head of the Department, the General Manager or the Member concerned of the Railway Board is not taken into confidence at the time investigations are taken up and by the time these authorities come to know of the investigations considerable damage has already been done. In this

*Justice Wanchoo was the Chief Justice of the Supreme Court of India and inquired into the Railway accidents.

arrangement the officers are bound to suffer though they might have put in long and loyal service and the complaint might have been made by an unscrupulous informer; and

(8) the Vigilance Organization has already succeeded in doing harm all-round and this has completely eclipsed whatever little good that it might have achieved in isolated cases.

The Committee have recommended that without any further loss of time the Government should undo the damage which has been done by this highly ill-conceived plan of action which it might have once been thought would root out corruption but which instead is throttling the healthy organization of the Railways.

Table on page 539 shows the number of complaints received, disposed of, vigilance cases started and disposed of and the punishments given—major and minor penalties—and cases dropped by three of the organizations. *viz.*, CBI, Vigilance Branch (Railways) and the Central Vigilance Commission, during the three years—1966-67, 1967-68 and 1968-69 at a glance.

This table does give evidence of the conclusions of the Wanchoo Committee that the number of complaints received and investigated is out of proportion to the final outcome of these cases. The CBI during the period 1966 to 1969, has investigated cases which come to 2.7 per cent in 1966, 2·4 per cent in 1967 and 1·3 per cent in 1968-69 resulting in major penalty. There is, thus reason to believe that the cases of prosecution are even much less. Broadly, this comparison stands in the case of CVC as well and also Departmental vigilance—as will be evident from the data in Annexures I and II.

The Urgent Need

The most important need, therefore, is to end the bogey of vigilance and speed up the process and bring it under some time schedule. We need to consider urgently the following points:

(1) How to locate those who are corrupt and punish them quickly? Let us not confuse corruption with errors of judgment or discretion or procedural lapses, etc. A review of 1,000 cases handled by CVC and CBI will prove that most of them relate to these and not to corruption of any magnitude.

(2) How to protect the innocent and honest officers who now have to prove their innocence. Vigilance proceedings leave the

Progress of vigilance work by CBI, Vigilance Branch (Railways) and CVC, 1966-69.

	CBI			Railways			CVC		
	1966-67	1967-68	1968-69	1966-67	1967-68	1968-69	1966-67	1967-68	1968-69
Complaints received	10981	9063	8383	Not available			9625	9277	8675
Disposed of	9779	9588	9123				9223	9444	8648
Vigilance cases started	1792	1860	1810	4238	3352	3429	2052	1788	
Disposed of	1907	1942	1504	4024	3979	3250	2057	1744	
Punishments:									
(*i*) Major	301	219	110	313	238	236	252	237	199
(*ii*) Minor	1606	1723	1394	1894	1093	1538	1278	1113	954
Dropped	—	—	—	967	2052	1352			
percentage	2.7	2.4	1.3						

victims greatly injured and impaired. Gone are the days when an officer could feel secure and act boldly with initiative and enterprise to produce results because he was supposed to be 'innocent' till proved guilty. *He has now to establish his innocence.*

(3) How to compensate those who, though proved innocent in end, suffer due to vigilance cases.

(4) What would be reasonable time for preliminary enquiry, and how minor penalty cases and major penalty cases are to be measured? Is it possible to fix a time limit of one year for deciding a case as also some time limit for its various stages?

(5) Why do officers, who work in Vigilance Branches, cultivate so much fear, terror and secrecy that they become incapable of producing results and want to overstress procedures and rules when initiative, courage and enterprise are required?

(6) What changes in procedures, methods and staff arrangements of Vigilance Branch are needed and could the secretariat system be replaced by the officer-oriented system in which not more than two persons be made responsible for the analysis of the case and deciding the case.

OBSERVATIONS ON VIGILANCE

The following observations would strike anyone who examines the vigilance set-up as it is functioning today in the light of the above mentioned need :

(1) There is far too much unnecessary secrecy and halo around the working of the vigilance set-up and it has created a strong sense of fear of action and the distinction between the *bona fide* errors and the *mala fide* ones, has tended to vanish. In this context, the analysis of Central Vigilance Commissioner, Shri Dutt, that *it is delay which is at the root of this total damage to the administrative structure of the country is corect.* However, very little seems to have been suggested which should foster a feeling of confidence, trust, initiative, responsibility and efficiency, which are the essential prerequisites and needs of our administration, so long as we value democracy, accept the rule of law and the developmental needs as enshrined in the Directive Principles of the Constitution.

(2) The Heads of Departments tend to feel that the setting up of the vigilance heirarchies in the Departments and by the CBI and

CVC has eroded and diffused the role and responsibility of the Heads of Departments in matters relating to integrity and efficiency of administration and the officers holding charge thereof. This has resulted in spreading an atmosphere of lack of trust in anyone and parallel centres of power have emerged in the CBI and CVC administrative authorities.

(3) It is generally felt that the administration was little more efficient in the 1950s and the elements of delay were less because the responsibility was felt and exercised by the Heads of Departments and others in-charge of the staff under them. Cases of excess or of errors of judgment and discretion were occasionally taken up in courts of law and under the Government Service Conduct Rules. It is the colossal expansion of the vigilance network after 1964 which has brought us in the Indian administration to a sad state of affairs in the last few years. One is pained to find senior officers quite helpless when it comes to any innocent officer being persecuted by CBI or the vigilance set-up due to the process and procedures even when they feel satisfied about his integrity in the matter. The best evidence of it can be had in the statistics of CBI and CVC in Annexures I and II; the amount of time taken in decision of the cases of officers who were eventally found innocent can also be examined from the Annexures. If the top levels had examined the case with care and speed at the early stages and acted with judgment and authority, they could have saved the officer much suffering. Today, no one reads the cases to take a view and everybody passes on the buck. Fear has overtaken all levels and far too many agencies are meddling in vigilance cases.

(4) The positive role of the CBI is as under:

(*i*) It alone can take up investigations against the higher levels and in complex cases.

(*ii*) It is resourceful and can get material from various sources which may not be available to the normal departmental machinery.

(*iii*) Important cases have been taken up by the CBI which has had a deterrent effect on other persons who may have engaged themselves in corruption. Many cases mentioned in the Annual Report of the CBI bear adequate evidence of its positive role.

(*iv*) In the early years, the CBI had taken up too many cases for prosecution and many of them proved to be weak and

were thrown out by the Courts. Lately, it is encouraging to see that the CBI takes up only those cases for prosecution where it has a sound and strong case. During the year 1969-70, out of 1,052 cases taken up by the CBI it launched prosecution only in 40 cases and succeeded in all of them. It might suggest that in prosecution cases their work is of a very good quality and the only defect that could remain is the excessive time taken by them in investigations and in proceeding with the prosecution cases.

(*v*) In departmental cases, far too many petty cases have been taken up as is evident from final results. The negative role of the CBI is evident when we consider that the CBI has shown an excessive anxiety for statistics and it has sought to process more and more cases for departmental action most probably simply to fill up the quota where the investigations reveal that the case of prosecution, etc., is weak. The quality of their emphasis has shifted on building two or three departmental cases out of one case which they investigated for prosecution and the main charges and allegations upon which these cases are based, are of minor administrative nature which could be called errors of discretion, judgment, commission and omission relating to some rule or procedure. The CBI also takes a very long time to investigate cases, which proves that the decision-making process in a particular case, which might take at best an hour or two, is sought to be investigated upon for months or years. In the overall analysis, therefore, the CBI may have done some harm. This becomes quite evident from the facts and figures in Annexures I and II. The number of persons finally found guilty of grave lapses is few, *i.e.*, as low as 1.3 per cent in 1968-69. The CBI can play a *more* dynamic and positive role *if* it confines itself to cases of prosecution with a clear stipulation of time limit of six months to investigate and one year in which to process the cases and launch a prosecution. Many prosecution cases are greatly delayed because the CBI is not ready and they take too much time in furnishing materials as well as in presenting the witnesses. Such cases, in which the CBI fails to establish a prosecution within a year or so, should be dropped by the CBI.

(*vi*) The CBI has too many Constables and Inspectors. Inquiry against Gazetted Officers must be conducted by Superintendent of Police (SP) of SPE's aided by Deputy S.P.E's and Non-gazetted by Deputy S.P.E.'s aided by Inspectors. They will play a more positive role than the Inspector class and the Constable class.

(*vii*) Another defect of the present system of the CBI is that no credit is at all given to the report of the Inspector and the Deputy Superintendent who may have conducted a thorough investigation which results in an honourable acquittal of a man. The author has learnt that Police Officers are often forced by the system to fulfil the quota of departmental cases, if no prosecution cases, because the acquittal cases give them no credit. A weak prosecution case is liable to attract strictures from the Court. A departmental case, which even fails, does not give them any trouble or attract any penal consequences. A study of the Annual reports of the CBI will bear adequate evidence for the conclusion that no *Police Officer has been penalized for a bad enquiry*. The present system of recommending advance increments to those who have established departmental cases should be dropped. It is immediately necessary to stress that no credit would be given for establishing a departmental proceedings case which is entirely a matter for the Department concerned and *credit should be given for a fair and balanced report* to develop a respect for truth in the minds of police. Some of the disaster heaped upon officers who take decisions will be reduced if action is taken against those Police Officers who have established untenable cases against the officers. The obsession with statistics should vanish; 100 effective cases will tone up the administration than more than 2,000 petty cases. The prestige of the CBI will improve if it not only checks and brings the corrupt to book, but if it does not curb initiative, enterprise and efficiency.

(*e*) The CVC has not yet played an effective role in the sphere of prevention of corruption, largely, because it has no control over the element of delay, which is the breeding ground of corruption and the main cause of suffering to those who are innocent. The main concern of CVC during the last few years, as the statistics in Annexure II reveal, is on those cases on which minor penalties were imposed and warnings were issued. It is

again necessary here to stress that it is humanly impossible for one CVC to do justice to eight to ten thousand complaints received during the year and about two thousand cases of disciplinary proceedings which are required to be handled. These cases cover a very wide range of activities of different departments whose structure, procedures, conventions and methods no officer can possibly understand single handedly.

SOME SUGGESTIONS

The author is venturing to make the following suggestions for improving the CBI, the CVC, Departmental vigilance set-ups, procedure and process of vigilance and the consequences of vigilance cases in the system of administration today, with a view to making these agencies more purposeful and complementary to the basic objective of giving India a clean and an efficient Administration:

Central Bureau of Investigation

(1) The CBI must be required to complete its investigation within a period of three months and it should be asked to drop all cases which cannot be completed within six months. In exceptional cases for good and sufficient reasons a Committee of the concerned Head of Department, the CBI Chief and the CVC may extend the time limit up to one year. It must be remembered that the time frame work in which decisions are taken by officers is very much less than the time limits which are observed to conduct preliminary enquiries.

(2) The CBI should concern itself only with prosecution cases, and it must make an effort to launch a prosecution within one year positively. All other cases should be handled entirely by the disciplinary authorities with reference to the CVC in respect of major penalty cases and without reference to the CVC in respect of minor penalty cases. The report and the materials of the CBI in such cases where prosecution is weak should be passed on to the concerned heads of departments.

(3) The CBI should be given credit on the basis of the quality of the investigation and the time frame work in which it is completed, which will imply that even where an investigation led to honourable acquittal, the concerned Inspector or DSP should get due credit. Any case referred by CBI for departmental action should be subjected to complete independent investigation by an officer of appropriate level who can understand

the rules, the conventions, the organization, circumstances and such other relevant things. The Presenting Officer in departmental cases should be a departmental man and the police machinery must be freed from any role in departmental proceedings except in getting witnesses. *This alone will enable the CBI to concentrate its full energy and efforts on important cases* and implement the recommendations of Estimates Committee. They should leave other petty cases to the departmental set-up. Only then can the CVC, the CBI, and vigilance branches of departments supplement one another and we will get a better quality of work, quicker disposal and clearer field of responsibility.

Central Vigilance Commission

(1) In all departmental cases, the CVC should scrutinize the report of the CBI after getting an independent departmental report on the basis of an investigation conducted by an officer of appropriate status. It could then get the comments of the concerned department on the investigations of the CBI and the comments of the CBI on the investigations of the department within say one month. This alone can enable the CVC to take a balanced view of the matter and in certain cases to undertake direct investigations through CBI or the Vigilance Officers or even by itself through the Commissioners for Inquiry.

(2) The CVC, with the help of the department, must take a view whether a particular case is a major or a minor penalty case. The CVC should confine itself only to major penalty cases. In other cases, it could conduct, at random a *post mortem* review. Judged from final results given in Annexure II, far too many petty cases of warnings, minor penalties are being made to pass through the mill of major disciplinary procedure which leads one to the conclusion that the CVC is playing a passive and dilatory role and has not made an effective impact.

(3) The CVC must entirely rely on the processing of the case in the departments and a parallel secretariat set-up in the CVC should not be encouraged. There is a general tendency now in the Vigilance Departments of the Government to leave the processing of a case to an Assistant or Section Officer, who becomes an expert and every body else likes to only comment or take views or just sign.

(4) It is not necessary that the Commissioner for Departmental enquiry alone should conduct an enquiry if any time limit is to be observed, which it is suggested should be three months. The Commission will have to keep a panel of suitable officers of appropriate levels in all Departments who can be entrusted with departmental inquiries not more than one or two at a time, for which those officers should be given an honorarium varying between Rs. 500 to Rs. 1,000. While the minor cases should not require any departmental inquiry, the major ones will also have the departmental inquiry completed within three months. This points again to the imperative need of the *first investigation being of very good quality*.

(5) The CVC has to give greater time and attention to preventive measures and positive steps should be taken for improving both the efficiency and the morale of the public service as well as its role to give due protection to innocent officers. There should be a provision for officers to appeal to the CVC and he need not be as shy to meet officers as he is.

(6) Greater trust and responsibility will, therefore, have to be restored to the Departmental heads and the C.V.C. must confine itself only *to major penalty cases of corruption only* instead of petty procedural and technical lapses. It is no secret that work is not done by Rules alone otherwise 'Work to Rule' would not have become a strike slogan. *Mala fides* and *bona fides* have got to be considered.

(7) If necessary, the country may have one, two or three Central Vigilance Commissioners but under no circumstances should Parkinson's Law be allowed to operate on the CVC and it must not be allowed to have an expanding secretariat. The Chief Vigilance Commissioner must be able to give an opinion within a week or ten days directly on the file coming to him from the departmental Head in which the view of the Vigilance Officer of the Department, who also represents the CVC, would be available. This would eliminate delay in the CVC and no case would be found with the CVC for more than two weeks. No Secretariat noting should take place in commission and the Chief Vigilance Commissioner should handle the case directly himself, secretariat assistance if any needed, can be provided by the Departments.

(8) The paramount need of all vigilance cases is to [illegible] *limits* and the efficiency of the vigilance set-up should be [illegible] judged from this angle. No minor penalty case should be

allowed to take more than three or at the most six months and no major penalty case should be allowed to take more than one year. It is better that a few cases are dropped because of non-adherence to time schedule and the officers in-charge taken to task for this, rather than allow the cases to linger on for years and months on some excuse or the other. Such delays do much more damage to the image of Government and the public services.

(9) The Government of India must give serious consideration to the performance of the CBI and the CVC inasmuch as major penalties were imposed barely in one per cent of the cases undertaken by the CBI and this percentage for the CVC comes barely to two per cent. *This leads us to the question as to what is the fate of the 98 per cent of the officers who undergo the vigilance torture and who are not the same men again.* Breaking the morale of 98 per cent of the officers who come under the vigilance clouds will lower the performance in our public sector and Government. The author feels apprehensive about the 1970s. Since 10,000 complaints are received by the CBI—the CVC alone, it means that in every plan period 50,000 Government servants can come under a vigilance cloud. After 15 to 20 years, very few persons will be left without this stigma, even though the percentage of the really corrupt and guilty is between 1-2 per cent.

Vigilance Branches of Departments

The administration, vigilance and efficiency cell should form one wing though in some of the departments it may be necessary to have few specialized vigilance officers.

(1) In all cases, there must be an independent investigation conducted by an officer at the appropriate level which would be one level above the level of the accused. This officer should do the preliminary investigations within 2-3 months. The report from such an officer should carry adequate weight and as an incentive he should be paid honorarium or fee of Rs. 500 to Rs. 1,000. This alone will enable the CVC and the department to take a balanced view even in those cases where the CBI has also given a report for departmental action.

(2) A panel of officers who can be entrusted with vigilance cases is absolutely essential because there can be only a few officers proficient in handling vigilance cases and it is the delay at the

stage of preliminary inquiry in major and even minor penalty cases and the oral inquiry that has to be cut down.

The Process

(1) The investigating officer of an appropriate level should do the complete departmental investigation in every case (even in CBI cases) and submit his report within three months either acquitting the officer or with the draft charge-sheet.

(2) The disciplinary authority should take a view within one month to decide whether a minor or major penalty should be inflicted or the case be dropped. The case at this stage should come to the CVC for advice or discussion along with the draft charge-sheet. The CVC should give its advice within one month. Within one month the draft charge-sheet must issue along with all relevant documents on which the case is based. There should be no effort to conceal relevant documents that might favour the defendent. The officer must also be asked to call on the vigilance officer within a week and to consult such other documents of the case as he needs. Any reference to other irrelevant documents can then be turned down and this process should be over within 10 days.

(3) A provision may be incorporated in the present procedure that once the charge-sheet, accompanied by the supporting documents, is issued, a reply should be given within 15-30 days at the most.

(4) The reply should be considered by the competent authority within a month and if it is felt that a major penalty is warranted then in such cases the Commissioner for Departmental Enqpires (CDE) can be appointed straight-away. The same obligation of 15-30 days must be enforced on the disciplinary authority and reply should be considered and a view taken by him. In those cases which warrant minor penalties, the disciplinary authority should pass final orders. In those cases where major penalties have been advised by the CVC, the CDE must be asked to commence his enquiry within 2 weeks. If the CDE of the CVC is busy, a suitable departmental officer should conduct the enquiry. The report of the CDE should be available within 3 months.

(5) The CDE must be asked to study the case and all relevant materials, and if he feels it is not a major penalty case, he should send it to the CVC with his reasons. This will check the

tendency to start all cases as major penalty cases and end them with minor penalties and warnings which should have been done earlier.

The above mentioned procedure is expected to ensure that many simple vigilance cases would get disposed of within three months. Again, minor penalty cases should be disposed of in another three months and the major penalty cases should also be disposed of within a year.

The Impact of Vigilance Cases

(1) The promotion and confirmation of individuals should not be held up till the decision in vigilance cases in taken. These should be decided only on the basis of the overall record. Sensitive higher posts are not more sensitive than those at the middle or near middle levels. Let not the judgment of the ability and integrity of the officer as recorded in the Confidential Reports be outweighed by a vigilance case and many years of loyal service and good record ignored.

(2) The punishment memo must be placed at the appropriate place in the Character Roll with reference to the period covered by the charge-sheet and not the date of issue of the orders.

(3) The list of penalties needs to be revised as follows:

Major penalties

(*a*) dismissal,

(*b*) removal, and

(*c*) compulsory retirement or reversion.

Minor penalties

(*a*) recovery of any loss,

(*b*) stoppage of increments, and

(*c*) censure.

Any caution or warning should have no penal consequences and should rarely be given in cases where a charge-sheet is issued, because this is meant to be given for guidance only.

stage of preliminary inquiry in major and even minor penalty cases and the oral inquiry that has to be cut down.

The Process

(1) The investigating officer of an appropriate level should do the complete departmental investigation in every case (even in CBI cases) and submit his report within three months either acquitting the officer or with the draft charge-sheet.

(2) The disciplinary authority should take a view within one month to decide whether a minor or major penalty should be inflicted or the case be dropped. The case at this stage should come to the CVC for advice or discussion along with the draft charge-sheet. The CVC should give its advice within one month. Within one month the draft charge-sheet must issue along with all relevant documents on which the case is based. There should be no effort to conceal relevant documents that might favour the defendent. The officer must also be asked to call on the vigilance officer within a week and to consult such other documents of the case as he needs. Any reference to other irrelevant documents can then be turned down and this process should be over within 10 days.

(3) A provision may be incorporated in the present procedure that once the charge-sheet, accompanied by the supporting documents, is issued, a reply should be given within 15-30 days at the most.

(4) The reply should be considered by the competent authority within a month and if it is felt that a major penalty is warranted then in such cases the Commissioner for Departmental Enquires (CDE) can be appointed straight-away. The same obligation of 15-30 days must be enforced on the disciplinary authority and reply should be considered and a view taken by him. In those cases which warrant minor penalties, the disciplinary authority should pass final orders. In those cases where major penalties have been advised by the CVC, the CDE must be asked to commence his enquiry within 2 weeks. If the CDE of the CVC is busy, a suitable departmental officer should conduct the enquiry. The report of the CDE should be available within 3 months.

(5) The CDE must be asked to study the case and all relevant materials, and if he feels it is not a major penalty case, he should send it to the CVC with his reasons. This will check the

tendency to start all cases as major penalty cases and end them with minor penalties and warnings which should have been done earlier.

The above mentioned procedure is expected to ensure that many simple vigilance cases would get disposed of within three months. Again, minor penalty cases should be disposed of in another three months and the major penalty cases should also be disposed of within a year.

The Impact of Vigilance Cases

(1) The promotion and confirmation of individuals should not be held up till the decision in vigilance cases in taken. These should be decided only on the basis of the overall record. Sensitive higher posts are not more sensitive than those at the middle or near middle levels. Let not the judgment of the ability and integrity of the officer as recorded in the Confidential Reports be outweighed by a vigilance case and many years of loyal service and good record ignored.

(2) The punishment memo must be placed at the appropriate place in the Character Roll with reference to the period covered by the charge-sheet and not the date of issue of the orders.

(3) The list of penalties needs to be revised as follows:

Major penalties

(*a*) dismissal.

(*b*) removal, and

(*c*) compulsory retirement or reversion.

Minor penalties

(*a*) recovery of any loss,

(*b*) stoppage of increments, and

(*c*) censure.

Any caution or warning should have no penal consequences and should rarely be given in cases where a charge-sheet is issued, because this is meant to be given for guidance only.

(4) In grave cases where dismissal is likely, it is better to suspend an officer for 3 to 6 months and expedite his case. It will be very difficult for anybody to functon in an atmosphere of uncertainty where his *bona fides* have been brought to doubt. No one should be kept under suspension for more than six months.

(5) It has also to be seriously considered as to why we see that now only vigilance cases are being pursued in any organization, whereas in a departmental organization most of the cases pursued ought to deal with inefficiency, delay or lack of performance. If the administration has to be positive and efficient, this aspect must receive the atention it deserves.

CONCLUSIONS

The most important need in the interest of efficiency and progress is *to fix a time schedule for a case* as suggested in this article and also to demarcate clear fields of responsibility between the CBI, the CVC, and heads of departments; officers of appropriate level should apply their minds to the cases instead of having too many persons' notings on facts, etc., and making it impossible for the competent authority to look into the case himself. The three vigilance agencies should really complement one another as already discussed so that there is a concern for urgency and enquiries are conducted expeditiously and decisions taken quickly.

Annexure I

CENTRAL BUREAU OF INVESTIGATION*

There is very little in common between investigative functions of CBI and those of Scotland Yard of U.K. or FBI of U.S.A. The great majority of *cases investigated by CBI are against Central Government servants* and not crimes, roberries, roits, economic offences, etc., as is the case with FBI and Scotland Yard.

Expenditure on Special Police Establishment during 1962-63 (*i.e.*, before setting up of CBI) was Rs. 50.94 lakhs and it rose to Rs. 134. 30 in 1967-68, and Rs. 185 lakhs in 1968-69. The annual increase is about 20 per cent and from 1963 the expenditure has increased by 264 per cent.

Staff Strength

(*a*) The staff has increased by 88 per cent from 1,432 in 1963 to 2,690 in 1968.

(*b*) The strength of police personnel of different categories has increased by 92 per cent from 984 to 1,888.

(*c*) Posts of Deputy Director/DIG's and above have increased from 3 to 15 and 5 years, *i.e.*, by 400 per cent.

(*d*) The staff on April 1, 1968 was:

Director	1	Dy. SP	109
Joint Directors	2	Inspectors	377
Addl. Director	1	Sub-Inspectors	145
Dy. Directors	11	Asstt. Sub-Inspectors	96
AIG/SP	42	Head Constables	90
		Constables	1,014
	57		1,831

*The Annexure is based on *Seventy-Eighth Report of Estimates Committee* ([illegible]) ([illegible] *Lok Sabha*), *Ministry of Home Affairs, Central Bureau of Investigation*, New Delhi, Lok Sabha Secretariat, [illegible].

We can, thus, see that there are few officers and more petty officials of Inspector and below level and it is they who have raked up too many petty cases and given the CBI a bad name. A group of well-trained officers, *i.e.*, SPs & Dy. SPs well conversant with Law, can improve the CBI for the better.

In prosecution cases, the Department of the concerned guilty officer is required to give comments within 14 days to Central Vigilance Commission (CVC) after considering report of CBI and comments, if any, of the Department, the CVC gives its advice on action to be taken. There are no other limits.

Type of Cases to be Taken Up

The Enquiry Committee on Special Police Establishment (1949-52) had made *inter alia* the following recommendations:

> "The Special Police Establishment should concentrate its attention on *really important cases and should not dissipate its energies and time in pursuing cases of minor irregularity or petty dishonesty.* Successful prosecution in a comparatively small number of big and important cases makes a greater impression on other actual or potential wrongdoers than more number of cases of major and minor importance sent up to Court. From the point of view of society also, the punishment of persons occupying important and responsible positions is both more satisfactory and more salutary than securing the conviction of a petty Assistant Station Master who has extorted a bribe of Rs. 5 from a consigner."

A break-up prepared by the Ministry of Home Affairs, of the 2,336 cases registered by CBI during 1967 in terms of value of transactions involved is given below:

Value of the Transactions involved	*No. of Cases*
Rs.	
1,000 or less	1,270
1,001 — 10,000	406
10,001 — 50,000	204
50,001 — One Lakh	68
More than One Lakh	136

It would be seen from the above mentioned figures that more than half of the cases registered by the CBI during 1967 involved transactions of Rs. 1,000 or less, and only 17 per cent are very important cases.

The observations of the Estimates Committee (1968-69) in its 78th Report seems to be justified that "in spite of the recommendations of the Enquiry Committee on the Special Police Establishment (1949-52) and the instructions issued by Government in pursuance thereof, the CBI *continue to engage themselves on trivial and petty cases.*" *Therefore, the Government should, in the words of the Estimates Committee, "ensure that the capacity and resources of the CBI, which are by no means unlimited, are available for exposing cases of magnitude and importance, including any big corruption in high places."*

Vigilance and Anti-corruption Work

An important work of the CBI is to prepare agreed lists of officers of doubtful integrity. Total number of officers under observation during 1967 was 576 and during 1968 it was 547. Action taken against such officers in 1967 was: prosecutions taken up 11, and departmental action 160. Some innocent officers have also been brought under a cloud inadvertently or mischievously.

With regard to effectively checking corruption, the Estimates Committee observed: "CBI have not been able to do much in discharging their responsibility for keeping a watch on undesirable contact men or unscrupulous contractors, suppliers, firms and clearing agents who are suspected of indulging in corrupt practices because of the limited staff at their disposal. The Committee attach great importance to this part of their activity and recommend that CBI should have an adequate machinery, trained manpower and resources for this purpose" (para 4.27 of the Report).

Delays in Disposal of Cases

The Estimates Committee felt "*unhappy to note the inordinately long time being taken by Central Bureau of Investigation both in investigation at the Branch level and in the processing of the Final Report of the Branch at the Head Office*" (para 5.8 of the Report; emphasis by the author).

At the end of 1967, 258 preliminary enquiries and regular cases were pending. Thus, delay up to one year can be caused merely in legal scrutiny of cases. The only solution is to have S.P.'s fully trained in Law.

One of the causes of delay in finalization of the CBI cases is the long time taken by the CVC in giving the advice because no one person is

responsible in the CVC. Cases rest on tables of Assistants, Section Officers, Deputy Secretary, or Secretary, and the Central Vigilance Commissioner may or may not know about these.

A number of cases held up with the CVC for over one year were brought to notice. As a remedy the author feel that the secretariat levels must be eliminated so that the CVC does not take more than one month on any case.

The following recommendation of the Estimates Committee seems to be very pertinent: "The Committee are deeply concerned to note the large number of Central Bureau of Investigation cases pending with the Ministries/Departments for disciplinary action; quite a substantial portion of these have been pending for a long time. Apart from the fact that delays in disciplinary proceedings whittle down the deterrent effect of punishment, the more prolonged the proceedings the greater is the difficulty experienced by the witnesses and greater still is the hardship to the public servant involved. The Committee *would suggest that reasonable time limits for the disposal of a disciplinary case at each stage in the Ministries should be fixed which should normally be adhered to*" (para 5.38 of the Report; emphasis is author's).

Regarding delays in Courts, the Estimates Committee observes: "The Committee are perturbed at the mounting arrears of CBI cases pending trial/disposal in Courts year after year. The analytical study of some old pending cases reveals that CBI is not free from blame in this matter. The delay in production of documents under Section 173 Cr. P.C., shortage of prosecuting staff and delay in the service of summons are matters which have to be attended to by the CBI" (para 5.45 of the Report).

Annexure II

CENTRAL VIGILANCE COMMISSION*

The objectives of the CVC set by Santhanam Committee were:

(1) The CVC should be independent of Government and not answerable to any Minister.

(2) It should deal comprehensively with prevention of corruption and maintenance of integrity.

(3) It should ensure just and fair exercise of administrative powers.

(4) Assume centralized powers and responsibilities in disciplinary matters (excepting the jurisdiction of Delhi Special Police Establishment).

The Government did not favour complete centralization of powers and responsibilities which will undermine the initiative and sense of responsibility of Ministries and Departments in such a big country where Central Government staff is spread all over. The main objective of CVC, therefore, is to ensure that complaints of corruption or lack of integrity on the part of Government servants are given prompt effective attention. It has been given powers of investigation and enquiry.

Procedure of Work

Regarding the procedure of work in the Commission, the following observations of the Estimates Committee (1968-69) of the Fourth Lok Sabha are relevant: "Considering the fact that the Central Vigilance Commissioner has to study each and every case personally and take decision himself, the Committee feel convinced that it is humanly impossible for one person to handle the large volume and variety of work transacted by the Commission... The Committee, therefore, recommend that if the Commission is to discharge the onerous duties entrusted to it, it should be enlarged

*This Annexure is based on the *Eighty-fourth Report of the Estimates Committee (1968-69)* (*Fourth Lok Sabha*), *Ministry of Home Affairs* (*Central Vigilance Commission*), New Delhi, Lok Sabha Secretariat, 1969.

and at least one more member added to it" (para 3.12 of the Report of Estimates Committee).

"The Committee regard the procedure of recording the reasons for taking a particular decision as highly salutary and based on sound principles of public policy inasmuch as it guards against the decision of any person being arbitrary or whimsical. In this contest, they are glad to note the assurance given by the Central Vigilance Commissioner that his advice will be accompanied by reasons so as to enable the disciplinary authority concerned to reach a decision" (para 3.23 of the Report).

Delays in Disposal of Cases

Details furnished to the Estimates Committee indicate that considerable delays have been taking place in the Commission at different stages in the disposal of cases.

The number of 6-months old cases has increased from 9 at the end of 1964-65 to 94 at the end of 1967-68 and those more than one year old have increased from 7, at the end of 1964-65, to 21 at the end of 1967-68.

The Estimates Committee observed in its report that, during 1965-68, average number of cases referred to Commissioners for Departmental Enquiries during a year was 171 and their disposal during a year was 98. This has resulted in an expanding backlog and at the end of 1967-68, 270 cases were pending. The average time taken in completing an oral enquiry in a case has increased from 270 days during 1966-67 to 399 during 1967-68.

The following recommendations of the Estimates Committee regarding pending cases is, perhaps, very important: "The Committee are concerned to note the large number of enquiry cases pending with the Commissioners for Departmental Enquiry which are mounting every year. At the present rate of disposal, which is stated to be three per month per Commissioner, the 5 commissioners at present attached to the Commission will take as long as 1½ years to complete the enquiries in 270 cases pending with them as on 31st March, 1968. The Committee recommend that the Commission as well as the Ministry of Home Affairs should make a thorough investigation of the causes which have led to the accumulation of enquiry cases with the Commissioners, streamline and simplify the enquiry procedures wherever possible and, if the workload justifies, take prompt action to increase the number of Commissioners" (para 5.11 of the Report).

Staff of CVC

The staff of CVC as on August 31, 1968, is: 20—Class I officers, 14 Class II (Gazetted) officers, 33 Class II (Non-gazetted) officers, 48 Class III officers, and 38 Class IV officers.

Expenditure on CVC

The expenditure of the CVC has increased from 9.45 lakhs in 1965-66 to about Rs. 14 lakhs in 1970.

PERFORMANCE OF CENTRAL VIGILANCE COMMISSION

The Central Vigilance Commission was set up in 1964 and has published 6 reports on its working so far. The summary of its work is given below for the period 1964-69.

Subject	1968-69	1967-68	1966-67	1965-66	1964
1. Complaints received	956	1058	1435	2277	5920
2. Enquiry reports sent to Deptts. & C.B.I.	124	130	180	187	276
3. CBI reports	282	324	294	304	405
4. CBI and Deptt. reports recommending prosecution	16	20	19	22	24
5. Reports of C.E.E.'s	148	142	90	59	109
6. Difference of opinion between CBI and Administration	23	14	13	15	38
7. Advice on procedure	96	93	93	150	263
8. Black listing of firms/contractors	84	111	181	124	
9. Miscellaneous cases of advice	739	624	792	928	575

(Continued)

PERFORMANCE OF CENTRAL VIGILANCE COMMISSION—*Contd.*

Subject	1968-69	1967-68	1966-67	1965-66	1964
Departmental Proceedings Taken up					
10. Action for major penalty	389	310	384	446	
11. Minor penalty	117	110	144	206	
12. Warning, cautions and displeasure.	296	284	247	340	
13. Prosecutions	10	17	24	34	
Results of Departmental Proceedings					
14. Dismissal/removal/retirement	7	13	11	7	
15. Other major penalty	15	6	2	5	
16. Minor penalty	23	24	21	14	
17. Censure	36	29	48	5	
18. Warnings	222	184	159	53	
Summary					
19. Cases handled for advice	802	704	775	786	
20. Major penalty	22(2.7%)	19	13	12	
21. Minor penalty	23(2.8%)	24	21	14	
22. Censure	36(4.5%)	29	48	5	
23. Warnings	518(64.6%)	468	406	393	
24. Exoneration	203	164	287	362	

It can be deduced from the above mentioned table that the CVC is handling barely 2.75 per cent cases of any consequence.

PERFORMANCE OF CBI

The performance of CBI as given in the statement of cases received and disposed of by SPE/CBI are given below:

I—Complaints

Year	New complaints received during the year	Annonymous	Complaints processed	No. converted into cases for investigation	Sent to Deptt.	Filed/dropped	Pending
1	2	3	4	5	6	7	8
1964	5798	2170	3969	546	2072	1036	315
1965	5617	1900	4024	591	1762	1176	395
1966	7200	2817	4805	709	1951	1703	442
1967	3278	3911	4912	602	2080	1654	475
1968	7475	2670	5319	633	2447	1693	546
1969	—	—	—	—	—	—	—

Basing on this table, the following conditions can be reached:

(1) In 1967-68 about 8 per cent of the total complaints were converted into cases and 7 per cent remained pending; 35 per cent were annonymous.

(2) The bulk of complaints received take a year or so—the most important question is to get complaints examined within 3 months.

(3) The SPE's may not be able to stick to 3 months schedule, they should have an arrangement to get some reports done by local police or state vigilance.

(4) Level of investigation needs to be raised in many cases to DSP and even SPE himself, which will raise the quality and drop petty cases.

II—Informations

Year	Informations collected	Informations processed	Converted into cases for investigation	Sent to Deptts.	Filed/dropped	Pending at the end of year
1	2	3	4	5	6	7
1962	1691	1754				
1964	2886	3253	1308	702	783	460
1965	3725	4175	1573	952	940	710
1966	3945	4652	1625	1060	1103	864
1967	4506	5372	1528	1769	1328	74
1968	4034	4776	1370	1510	1164	732
1969	—	—	—	—	—	—

We can derive the following conclusions from the table:

(1) 28 per cent of investigations get converted into cases.

(2) Informers need to be questioned carefully to discourage spying or mischievous elements.

III—Cases of Bribery, Corruption, etc.

Cases are on the increase. As against 1,895 cases taken up in 1964, about 2,000 cases were taken up in 1,968 while there were 55 cases only in 1956. The results of final action show that most of the cases were petty or frivolous.

IV—Prosecutions in Court

Year	New cases	No. of cases decided	No. of cases decided	No. of Convictions	No. of acquittals	Fines etc. in lakhs	Percentage of successful prosecution
1	2	3	4	5	6	7	8
1964	308	800	254	212	42	16.97	83.5
1965	295	829	218	181	37	2.24	83.0
1966	353	959	271	230	41	4.05	84.9
1967	489	1177	302	255	47	6.28	84.4
1968	472	1333	356	314	42	8.34	88.2
1969	—	—	40	40	—	—	100.0

V—Government Servant Proceeded With

Year	Total number	Gazetted	Non-Gaz.	Others	Total	Pending at the end of year		
						Under inquiry	Under prosecution	Uner R.D. A.
1	2	3	4	5	6	7	8	9
1964	6,276	1,119	4,577	580	4,707	1,380	512	2,815
1965	7,734	1,263	5,661	810	5,342	1,456	569	3,317
1966	9,078	1,398	6,812	868	6,372	1,902	611	3,859
1967	9,606	1,453	7,224	929	6,309	1,728	692	3,889
1968	9,291	1,525	6,746	1,020	6,579	1,786	813	3,980

VI—Regular Departmental Action Against Gazetted Officers

Year	Total No. of cases taken up	Of the year under report	Cases decided	Major penalty	Percentage of cases of major penalty out of those decided	Percentage of cases of major penalty out of total
1	2	3	4	5	6	7
1964	599	226	97	17	17	3
1965	770	273	124	16	12	2
1966	863	266	140	17	12	2
1967	958	244	147	15	10	1.5
1968	977	223	208	13	62	13

The following conclusions can be assigned from the foregoing tables.

(1) Out of cases for R.D.A. only 6 per cent result in major penalty and these came to 1.3 per cent of total cases taken up.

(2) This proves that unlike prosecutions, quality of investigation in R.D.A. cases is poor and something should be done to drastically reduce such cases.

ORIGIN OF PUBLIC SERVICE COMMISSION IN SINGAPORE*

Jon Siew-Tien Quah

The Public Service Commission (PSC) in Singapore[1] has not been given sufficient attention by scholars. Like PSCs in other former British colonies, the PSC in Singapore stems historically from the Civil Service Commission (CSC) which was first established in the United Kingdom on May 21, 1855, following a report by Sir Stafford Northcote and Sir Charles Trevelyan on the *Organization of the Permanent Civil Service* in Britain.[2] Since its inception on January 1, 1951, the PSC in Singapore has issued an annual report describing the various activities undertaken by it during the preceding year together with a compilation of the relevant statistics. To date, twentyone annual reports have been published by the PSC in Singapore which celebrated its twentyfirst anniversary recently. However, so far there has been no systematic study of the PSC in Singapore except for very brief accounts of its origins and growth.[3] This dearth of research on the PSC in Singapore needs to be rectified. This article is an attempt to initiate research on one aspect of the PSC in Singapore, *viz.*, its origins. More specifically, the purpose of this article is to provide a detailed account of the origins of the PSC in Singapore.

---

*This article is a shortened version of Chapter III of the author's *The Public Service Commission in Singapore: A Comparative Study of (a) Its Evolution and (b) Its Recruitment and Selection Procedures vis-a-vis the Public Service Commissions in Ceylon, India and Malaysia* (Unpublished Master of Social Science Dissertation, Department of Political Science, University of Singapore, August 1970).

[1] From January 1, 1951 to January 28, 1957, when the Public Services Commission Ordinance No 55 of 1949 was in force, the official designation of the Commission was Public Services Commission". However, from January 29, 1957 onwards, the Public Service Commission Ordinance No. 41 of 1956 came into force and the Commission was thereafter referred to as "Public Service Commission".

[2] L. G. Coke Wallis, "The Public Service Commission in Nigeria", *Civilisations*, Vol. 10, No. 2, (1960), p 233. For more details, see "The Northcote-Trevelyan Report", *Public Administration* (London), Vol. 32 (Spring, 1954) pp. 1-16. This is a reprint of the report submitted to both Houses of Parliament by command of Her Majesty in February 1854, Paper 1713.

[3] See Colony of Singapore, *Report of the Public Services Commission for the year* [illegible], Singapore, Government Printing Office 1957, pp. 1-3; State of Singapore, *Annual Report of the Public Service Commission for the year 1963*, Singapore, Government Printing Office, 1964, pp. 1-2; D. S. [illegible], *Malayanization: Malayan Civil Service (1945-1957)* (unpublished B. A. (Hons.) academic exercise, University of Malaya in Singapore, [illegible]), chapter II, pp. [illegible].

The PSC in Singapore is twenty-years old. It began functio[n]al on January 1, 1951, slightly more than three years after the origi[n]al recommendation for the establishment of a PSC by the Public Servi[ce] Salaries Commission of Malaya under the Chairmanship of Sir Ha[rold] Trusted in 1947. The Trusted Commission was appointed to consi[der] the emoluments and conditions of service of the public services in t[he] Malayan Union and Singapore. Earlier, in 1946, the British Gove[rn]ment issued a White Paper (Command Paper No. 197) entitl[ed] *Organisation of the Colonial Service* in her overseas territories.[4] T[he] White Paper stressed that progress towards self-government could o[nly] be achieved if the public services of the colonies were adapted to lo[cal] conditions and staffed to the maximum possible extent by local peop[le]. Among other things, Command Paper No. 197 recommended t[hat] PSCs should be set up in the colonies to ensure that local candidat[es] who were fit and qualified would be recruited into the public service[s]. In accordance with the policy set out in the White Paper, the Trust[ed] Commission recommended, *inter alia*, the creation of a PSC to provi[de] the local people with an opportunity of obtaining appointments in t[he] public services.

The Trusted Commission made three recommendations *vis-a-[vis]* the PSC.[6] First, it proposed that a PSC should be set up to deal wi[th] matters affecting the public services in the Malayan Union a[nd] Singapore. This PSC should not be modelled after the PSC in Ceylon[:] the Chief Secretary, the Colonial Secretary, the Attorneys-General a[nd] the Financial Secretaries were already fully occupied, and any circulati[on] of questions for decision among them would cause unnecessary del[ay]; and, finally, the six of them would not be able to meet frequent[ly]. Second, with regard to the composition of the PSC, the Trusted Co[m]mission recommended that a specially selected officer (not necessarily [an] administrative officer) with a basic salary of M$1,600 a month shou[ld] be appointed. He should be assisted by at least one officer who h[ad] worked in the Education Department. Moreover, the PSC should [be] able to seek the advice of a Puisne Judge on disciplinary matters and [on] questions regarding an officer's rights against the Government. Final[ly], as the PSC would take over the duties of the Malayan Establishm[ent] Office and the Service Branches of the Secretariats and would

[4] *Organisation of the Colonial Service*, Command Paper No. 197, London, [His] Majesty's Stationery Office, 1946.

[5] Command Paper No. 197 has seven sections, *viz.*: (1) The Background, (2) Plan of Action, (3) Recruitment and Training, (4) Structure of the Colonial Serv[ice], (5) Central and Regional Services, (6) Retirement and Pensions, and (7) Fina[l] Provisions.

[6] Malayan Union and Singapore, *Report of the Public Services Salaries Commissi[on] of Malaya*, Kuala Lumpur, Malayan Union Government Press, 1947, pp. 12-13.

responsible for organizing and conducting examinations for admission to and promotion in the services, the Trusted Commission recommended that such a Commission should have direct access to the Governors.

The recommendation by the Trusted Commission for the establishment of a PSC was welcomed by the local civil servants for they saw, in the establishment of such a Commission, the possibility of a gradual Malayanisation of the civil service.[7] Since the Government was more concerned with the recommendations of the Trusted Commission regarding the emoluments of serving officers, it did not give immediate attention to the proposal for the setting up of a PSC until a Progressive Party member in the Singapore Legislative Council, Mr. N. A. Mallal, raised the matter in the Council on May 18, 1948. At that meeting of the Council, it was resolved, on Mr. Mallal's motion, firstly, that it was desirable to establish at an early date a PSC which should take over all appointments and promotions in and all matters affecting the public services of Singapore and the Federation of Malaya; secondly, that a Select Committee be appointed to examine and report on the constitution and the terms of reference of such a PSC; and finally, that the legislative Council of the Federation of Malaya be asked to appoint a similar Committee, and that both such Committees be empowered to deliberate jointly with a view to submitting to their respective Councils, a uniform and agreed report on the PSC.[8]

In Singapore, the Select Committee on the PSC was chaired by C.W.A. Sennett, the Commissioner of Lands, with Messrs. N. A. Mallal, E. R. Koek (who was replaced by Mr. C.C. Tan after his death), P.F. deSouza and Lim Yew Hock as members.[9] This Committee was appointed to examine and report on: (1) the steps to be taken to establish at an early date a PSC, and (2) the constitution and terms of reference of such a Commission. As the Federation Government declined an invitation by the Select Committee to participate in its deliberations, the Select Committee acted on its own and submitted a report ten months later, on March 15, 1949. In their report, the Select Committee made five recommendations, *viz.*:

(*a*) A Public Service Commission should be set up forthwith in order to control appointments and promotions and the flow of candidates to staff the various posts falling vacant in the Colony.

[7] D. E. Daas, *op. cit.*, p. 19.

[8] Colony of Singapore, *Proceedings of the First Legislative Council: 1st and 2nd Sessions, 1948-1949*, Singapore, Government Printing Office, 1951, pp. B. 50-51.

[9] *Ibid.*, p. B. 136.

(*b*) For the purpose of enabling such a Commission to deal wit every post in the Colony, the agreement for the constitution c the Malayan Establishment insofar as Singapore is concerne should be terminated.

(*c*) A separate Singapore Establishment should be set up embrac ing every post in the Colony irrespective of whether they ar reserved for the Unified Colonial Services or not, and th Establishment Officer should be the Secretary of the Publi Service Commission.

(*d*) While the Commission will be primarily an advisory body in order that it may command the respect of both the Publi Service and the public, it should have a statutory and inde pendent character.

(*e*) An Ordinance for the setting up of such a Commission deter mining both its functions and standing should be enacted in th terms of the annexed draft Bill."[10]

In April 1949, Mr. Mallal gave notice to the Singapore Legislativ Council that he would move for the adoption of the Report of th Singapore Select Committee.[11] He waited for two months befor moving the motion to allow the Federal Legislative Council to part cipate in the deliberations of the Singapore Select Committee if it wante to. However, the Federal Legislative Council refused to cooperate an in June 1949 Mr. Mallal, in moving for the adoption of the recom mendations of the Select Committee, noted that the Colonial Govern ment accepted recommendations (*a*) and (*d*) unreservedly, (*e*) in princ ple and rejected (*b*) and (*c*).[12] He reminded members of the Counc that recommendations (*b*) and (*c*) which referred to the breaking awa from the Malayan Establishment and the establishment of a separa Singapore Establishment respectively, were "the direct result of th uncooperative attitude of the Federation Government".[13]

The Select Committee was faced with three alternatives after th refusal of the Federation Government to cooperate with it in th setting up of a pan Malayan PSC. In the first place, the Select Com mittee could recommend that no PSC be set up, but this would mea a contradiction of the policy outlined in Command Paper No. 19 The reservation of the senior posts for the Unified Colonial Services a

---

[10] Colony of Singapore, *Proceedings of the First Legislative Council: 1st and 2nd Sessions, 1948-1949, op. cit.*, p. C 249.

[11] This report is reproduced in *ibid.*, pp. C 241-249.

[12] *Ibid.*, pp. B 219-221.

[13] *Ibid.*, p. B 219.

the Malayan Establishment meant that local people were excluded from the senior posts of the public services in Singapore and the Federation of Malaya. As the Unified Colonial Services and the Malayan Establishment prevented the setting up of a PSC capable of dealing with senior posts in Singapore, a second course of action was to recommend the creation of a PSC to deal with subordinate appointments only. This second alternative was rejected by the Select Committee as it was designed to keep the higher appointments in Singapore only for expatriate officers. Moreover, a PSC with limited powers would not earn the respect of the local people. Thus, the Select Committee was left with the third alternative which was:

> "To recommend the establishment of a (Public Services) Commission to deal with all the posts in the Colony, and for this purpose break away from the Malayan Establishment and set up a Singapore Establishment which will comprise posts open not only to Europeans but the local people as well."[14]

It should be noted that the third alternative was incorporated in the *Report of the Select Committee on the PSC* as recommendations (*b*) and (*c*).

To justify the third course of action, the Select Committee dealt at length with the need for setting up PSCs in the colonies,[15] and made out a strong case for the breaking away of Singapore from the Malayan Establishment. The Select Committee argued that the Malayan Establishment, which was formed to deal with European personnel recruited from the United Kingdom or the Dominions, had outlived its usefulness with the publication of Command Paper No. 197.

The Committee then considered and rejected three arguments advanced against the setting up of a separate Singapore Establishment. The first argument was that the Malayan Establishment provided more opportunities for promotion than a separate Singapore Establishment. This argument was rejected because the posts on the Malayan Establishment had to be filled by officers from the Unified Colonial Services and, therefore, the proposed breakaway of Singapore from the Malayan Establishment cannot prejudice the chances of promotion for expatriate officers. Moreover, it should be noted that "expatriate officers in the Unified Colonial Services are continually being transferred from one Colony to another and the fact that an expatriate officer in a Unified Colonial Service is serving on a Singapore Establishment cannot prevent

[14] *Colony of Singapore, Proceedings of the First Legislative Council: 1st and 2nd Sessions, 1948-1949*, op. cit., p. C 246.

[15] *Ibid.*, pp. C. 246-247.

him from being transferred to the Federation, whenever the powers that be see fit to transfer such an officer."[16]

It was also argued that the prospects of promotion in a Singapore Establishment for local officers would be less than those on the Malayan Establishment. On the other hand, the Select Committee pointed out that in practice non-Malay local officers in the higher services in Singapore were not eligile for placement on the Malayan Establishment or any post in the Malay States without the acceptance of the Sultans. In fact, no non-Malay locally domiciled officer had as yet been accepted by the Malay Sultans for the higher services in their States. Another reason for not accepting the second argument was that the Colony of Singapore offered no less scope than the Colony of Hongkong or Malta, which had their own establishments, insofar as the public service was concerned. The Select Committee argued:

> "If the Colony of Hongkong or Malta can have its own establishment, we do not see why the Colony of Singapore should be unable to have one."[17]

The final argument against the establishment of a separate Singapore Establishment was that the expatriate officers would have less chances in securing superscale posts as a result of the competition from the local officers who would be eligible for entry into the higher services of Singapore. According to the Select Committee, to accept such an argument would mean the non-implementation of the policy set out in Command Paper No. 197 and also that the higher services of Singapore would still be a preserve of European officers without any competition from the local people.

The Colonial Secretary explained in detail why the Government rejected recommendations (*b*) and (*c*). He gave three reasons why these two recommendations would, in the long run, militate against the interests of the officers appointed to the senior posts in the public service. First, the setting up of a smaller and separate Singapore Establishment would mean that the officers recruited would not enjoy the advantages offered by a larger Establishment. Second, it would be difficult to abolish the Malayan Establishment as the Colony of Singapore was only one of the signatories to the agreement and besides, the Malayan Establishment was not just a list of posts scheduled to a paper agreement but was also a body of officers whose appointment to the Malayan Establishment was with their agreement and, therefore,

[16] Colony of Singapore, *Proceedings of the First Legislative Council: 1st and 2nd Sessions, 1948-1949*, *op. cit.*, p. C 248.

[17] *Loc. cit.*

"their consent to their own dissolution would be necessary before one can start disinheriting them with a stroke of the pen".[18] Finally, whether the Malayan Establishment existed or not, there would still be the same number of posts in the public services in Singapore for the PSC to fill.

The Colonial Secretary said that the suggestion in recommendation (*c*) that the senior posts of the Colony were reserved for members of the Unified Colonial Services was not true and, to prevent any further misunderstanding of the Government's intentions, he tabled a White Paper on Recruitment which emphasized that the higher posts in the administration would be reserved for officers of local origin. As recommendation (*e*) required, the enactment of a Bill in the terms of the annexed draft, the Government did not accept it without qualification and would introduce an amended version of the Bill which would be considered and debated on at the next meeting of the Council.

In short, the proposal laid before the Singapore Legislative Council by the Colonial Secretary sought a compromise whereby it was proposed to establish a PSC for Singapore only and without any breaking away from the Malayan Establishment. Mr. C.C. Tan, a member of the Council and the Select Committee, amended the Colonial Secretary's motion so that recommendations (*b*) and (*c*) would be "brought up for consideration at a future date if circumstances warrant such consideration...".[19]

The Bill creating the PSC was introduced in the Singapore Legislative Council on June 26, 1949 and received its third reading on December 20, 1949. An interim Commission-designate was established in May 1950 and it worked to the provisions of the PSC Ordinance No. 55 of 1949. The following rationale for setting up this interim body was provided by the Colonial Secretary:

> "We shall not actually get a Public Service Commission by passing an Ordinance for its establishment. Much will remain to be done. First of all, we shall have to find a really suitable Chairman, and very much will depend on the wisdom with which we make our first choice. We will then have to find his colleagues, and they will require to be carefully selected too. Then we have got to find office accommodation, and that is not easy at the moment. We have to draw up rules and formulate procedure, and this will take a little time with the best will in the world. It is proposed as an interim

[18] Colony of Singapore, *Proceedings of the First Legislative Council : 1st and 2nd Sessions, 1948-1949*, op. cit., p. B. 223.

[19] *Ibid.*, p. B. 228.

> measure to set up interim machinery to deal with any applications from persons of local domicile who wish to be considered for entering the Unified Colonial Services now. This is purely an interim measure, and that body will disappear when the Public Services Commission with wider powers takes its place."[48]

During the interim period, an office and staff were acquired and organized and the Commission-designate had established methods of conducting its business which worked satisfactorily and were adopted *in toto* by the PSC in 1951. Moreover, the Commission-designate also dealt with the various "teething" problems that arose and laid down guidelines for dealing with them. The interim period lasted for seven months, and the Commission-designate was replaced by the PSC on January 1, 1951.

---

[48] Colony of Singapore, *Proceedings of the First Legislative Council: 1st and 2nd Sessions, 1948-1949*, *op. cit.*, p. B. 227.

PUBLIC PERCEPTION OF STRIKE

*G. Haragopal and K. Murali Manohar**

STRIKES—collective stoppages of work, intended to influence those who depend on the sale or use of the products of that work—are almost as old as work itself.[1] The phenomenon of strike, with the passage of time, passed through several phases and acquired variety of practices and several shades of meaning. It has outlived its criminal origins and has, in degree, become institutionalized as one of the acknowledged sanctions of collective bargaining.[2] Nevertheless, opinions are sharply divided about the need and desirability of allowing the employees to resort to strike to force a solution to their problems. One school of thought, which supports strike as a legitimate right, says that "to deny to any group of employees the right to strike against intolerable conditions is to reduce them to a form of slavery".[3] The other school argues that "no employee has the right to interfere with the orderly conduct of public affair or to interrupt public services for the people without the people's consent."[4] Yet another school opines that "a strike that would bring direct, immediate, certain and serious danger to a primary interest of the community should be prohibited by law, with adequate sanctions, but also with adequate means to secure full public consideration and solution of the issue involved".[5]

However, in democratic countries, there are practical limits to the adoption of purely preventative or punitive measures, and freedom to strike is part of the accepted tradition of collective bargaining.[6] India has accepted this tradition and it has been further strengthened by the Constitution of India under Article 19 wherein a fundamental

---

*Authors are highly grateful to Shri Siva Rama Krishna Rao, Lecturer in Economics, Osmania University for his patient guidance in statistical work.

[1] *International Encyclopaedia of the Social Sciences*, New York, Macmillan & Free Press, 1968, Vol. 8, p. 500.

[2] *Ibid.*, p. 501.

[3] William E. Mosher, and others, *Public Personnel Administration*, New York, Harper & Brothers, 1950, pp. 55-62.

[4] Donald C. Rowat (ed.), *Basic Issues in Public Administration*, New York, Macmillan 1967, p. 253.

[5] L. D. White, *Introduction to the Study of Public Administration*, New York, Macmillan, 1955, p. 427.

[6] *International Encyclopaedia of the Social Sciences*, op. cit., p. 506.

right has been guaranteed to form associations or unions. But in some of the democratic countries, like the United States of America, Australia, Canada, Japan and Switzerland, strikes by government employees have been made unlawful.[7]

Strikes have assumed new dimensions claiming increasing attention in recent times. This is a result of spreading of strikes from industrial sector which was mainly the concern of private citizen to government. The modern government provides comprehensive social services and is now expected to promote the fullest possible development of individual human potential.[8] As a result, there is hardly any activity of life where government does not lay its hand on. Millions of employees are engaged in running vast administrative machinery and the society has come to depend on it for many of its basic necessities. Therefore, whenever this "administrative population"[9] resorts to strike the functioning of society almost gets paralysed. It is not only the severity of strikes but also their frequency in recent times that is frightening.

In developing countries which are seriously engaged in pulling themselves out from the economic backwardness, strikes, in general, and by government employees, in particular, pose a serious threat to societal interests. They not only cause temporary paralysis but also retard the developmental process. This is compelling the attention of all those who feel concerned about the orderly progress of the society. For a complete grasp of the problem, deep probe into all aspects of the phenomenon is essential. A time has come when we have to ponder over such questions as to what are the causes of strikes? What do the public think about these strikes? Can we avoid them by employing any other methods? etc.

"Strikes take place for variety of reasons. Any reason major or minor—which causes dissatisfaction may lead to a strike. It is not always easy to find out the real cause of a strike. A number of investigations carried out in the United States have shown that the ostensible cause is not always the real cause. Discontent develops in a workplace for a variety of reasons. It is not noticed and is allowed to accumulate. Then, a trivial thing may happen and the accumulated

[7] Haridwar Rai, "Staff Associations and the Right to Strike", *I.J.P.A.*, Vol. VI, No. 3 (July-Sept. 1960), p. 283.

[8] *The Civil Service—Report of the Fulton Committee (1966-68)*, London, H.M.S.O., 1968, Vol. 1, p. 10.

[9] This is an apt expression for the increasing number of employees. N. K. [illegible], "[illegible] for Tomorrow", *IJPA*, Vol. VI, No. 3 (July-Sept., 1960), p. [illegible].

discontent may burst in the form of a strike."[10] Therefore, "almost every attempt to quantify the various aspects of strike—not only their effects but also their causes and even their number and severity—is be set with problems that reflect the elusiveness of the strike phenomenon".[11] Nevertheless, continuous research may yield fruitful results in analysing the whole problem.

Studies of this nature are rewarding not only because they throw considerable light on strikes as such but also enable us to evaluate the "administrative vitality". Evaluation of public satisfaction in normal times is extremely dificult. During and immediately after the strike people are in a reflective and retrospective mood. Their opinions are better formulated about their satisfaction with administrative performance. No doubt, practitioners of Public Administration have increasingly been involved in evaluation. Nevertheless, our literature—teaching and research—has not been overtly concerned with it. At this time, we need explicit recognition of evaluation as an important process of administration. We need an increased attention to be given to evaluation in the education of public servants.[12] Of course, the administrator assumes that his day-to-day experience give him a sensitive understanding of the awareness, attitude and demands of his clients and the public at large. It is necessary to demonstrate to him that his knowledge is segmental and that can be increased by use of such social science research procedures as sample survey.[13]

This article is based on a sample survey of public attitude towards the strike. Although the other aspects of the problem also deserve exploration, they have not been touched in detail and depth because of the limitations of material and space.

II

The strike, under study by 4.5 lakhs of Andhra Pradesh Government employees was the second longest during post-Independence period of the country.[14] Strike has become almost a regular feature

---

10 V. B. Karnik, *Strikes in India*, Manaktalas, Bombay, 1967, pp. 362-63.

11 *International Encyclopaedia of the Social Sciences*, *op cit.*, p. 501.

12 Orville F. Poland, "Why does Public Administration Ignore Evaluation", *Public Administration Review*, Vol. No. 2, (March-April, 1971), p. 202.

13 Janowitz Morris, "Role of Public Opinion: Public Perception of a Government Agency's purpose and accomplishment", *Politics, Decisions and Organisation*, Meredith Corporation, 1969, p. 89.

14 The longest so far was by Uttar Pradesh Government employees, the period was 42 days, while the Andhra Pradesh Government employees' strike was for 56 days, from April 12, 1971 to June 6, 1971.

in Andhra Pradesh during the last five years. In 1967, the employees had issued a notice to go on a one-day strike on March 28. But it was averted by the Government's prompt settlement with the employees one day before. In 1968, the employees went on strike for seven days and again an agreement was signed. In 1969, the Telangana employees went on a 37-day strike in support of the Telangana agitation. In 1970, the employees in Andhra region went on strike for 17 days.[15]

The latest strike which took place in April 1971 was in response to the call given by the two joint councils of action.[16] Briefly, their demands were: interim relief on a par with Central Government employees which works out from Rs. 15 to Rs. 45 per month to employees depending on the category of service; house rent allowance and city allowance at Central Government rates for all cities and towns and a new scheme of house rent allowance for all places in the state irrespective of population and for all types of employees including work-charged and contingent; immediate rectification of anomalies in pay scales; absorption of all temporary, work-charged and contingent employees as full members of their respective services by creating necessary cadre; and immediate extension of all Government orders relating to Government employees to all categories of employees working in the local bodies, municipalities, zilla parishads, samitis, etc. The Joint Council of Action (JCA) of Telangana employees had asked, in addition, for the immediate implementation of the High Court Judgment on mulki rules and the regionalization of services.[17]

During the preliminary talks, the government expressed the view that they would consider all the demands sympathetically except the demand for interim relief which would cost the state exchequer Rs. 12 crores a year. As a consequence, the employees took the decision to resort to strike and the die was cast on April 12, 1971.

The whole issue was brought before the people. Both the sides struck to their positions and started defending their stands vigorously through press and platform. The main contention of the Government was that "during the three year period from January 1967, the dearness allowance of the employees was increased five times and only two years ago a pay revision was made". Further, the Chief Minister held that "a pay rise of Rs. 10 per employee would have no beneficial effect

[15] "What did A. P. Strike Achieve", *The Hindu*, June 8, 1971.

[16] One council representing 46 unions called "Joint Council of Employees Unions and Associations of A. P." (JCE) and the other Council representing 16 unions called "Joint Council of Action of Telangana Employees.

[17] "N. G. Os. Strike in A. P.: Two Sides of Picture", *The Hindu*, April 17, 1971.

on him, because the cost of consumer articles would immediately go up in a price spiral". The Government argued that "while per capita income of the state increased by 74 per cent in the decade till 1969, the rise in pay of the lowest paid employee was 130 per cent."[18]

The Government declared that "it was 'impossible' for it to agree to the demands of striking employees in view of its financial position and the need to make larger resources available for the uplift of the weaker sections of the community." The Chief Minister said, "the Government employees were a 'sheltered community' representing one per cent of the state's population. It was obligatory on their part to view their problems in the context of the economic position of the entire society and to peg their demands to the lowest level". He further added, "we have reached a stage when the government employees will have to take into serious consideration the discontent among large sections of people, which if left unnoticed, would erupt some day to the dismay of all". He held that 'there was no public sympathy for the N.G.Os.' demands,[19] and pointed out that 'just because they had the capacity to organize themselves and affect the maintenance of service and public administration they should not be allowed to force the Government to spend more on them.' Hence, he said that there was no justification for their strike.[20]

The contention of the employees was that 'State Governments, like Kerala, Maharashtra, Orissa, and West Bengal, for that matter almost all the State Governments met the employees demands in some measure'. The unions pointed out, "right from 1962 theirs was a 'sorry story' of dearness allowance failing to protect the purchasing power of employees."[21] They argued, "slackness in collection of taxes and loans was mainly responsible for the Government's present financial difficulties."[22]

The councils reiterated that 'having failed to check the price line' it was Government's responsibility to protect the real wages of its employees.[23] The president of Telangana N.G.Os. Union wanted the Government to neutralize the rise of ten points in the cost of living index on the formula suggested by the Gajendragadkar Commission.[24]

---

[18] "N. G. Os. Strike in A. P. : Two Sides of Pictures", *The Hindu*, April 17, 1971,
[19] *The Hindu*, April 22, 1971.
[20] *The Hindu*, May 22, 1971.
[21] "N. G. Os. strike in A. P.: Two Sides of Picture", *op. cit.*
[22] *The Hindu*, May 9, 1971.
[23] *Ibid.*
[24] *The Hindu*, May 27, 1971.

The employees in a memorandum submitted to the State Governor said that "the state Government had remained oblivious to the hardships of both the people and the employees".[25] Thus, the 'duel with the words' continued and both the sides struck to their guns. The controversies revolved around many issues, like Government's financial position, public sympathy, protection of weaker sections and rigidity in attitude, etc., each side blaming the other for the state of affairs.

The employees attempted to explain their position not only through press and platform but adopted several methods, like picketing, *dharna*, relay fasts, and bandh calls[26] to attract the public attention.

The present study proposes to investigate the opinion of the people, the final judges, on the entire issue. "The essential validity of democracy rests upon this philosophy, for democracy is a way of government in which the common man is the final judge of what is good for him."[27]

III

For the purpose of this study, a purposive sample has been drawn on the basis of random sampling. The respondents have been drawn from Warangal town. Different sections of the society—farmers, labourers, businessmen, students, politicians and professionals (professionals include those who belong to different professions, like medicine, engineering, law, teaching, etc.) were interviewed with a questionnaire. No scientific method could be employed because of the non-availability of statistics regarding the number of people in each section in the town.

First we tried to know how many of the respondents were having contacts with the government offices in the town. Seventy-three per cent respondents said that they have had contacts with Government Offices while 27 per cent said that they did not have contacts. Those who had contacts with the Government were businessmen, students, politicians and professionals and a few of the farmers and labourers. However, the 27 per cent who had no contacts with the government offices consisted mostly labourers, farmers and a small fraction of businessmen. By and large, this indicates that interaction between the public and the Government is great.

---

[25] *The Hindu*, June 1, 1971.

[26] The success of bandh also came into dispute. The employees side claiming that it was a success and the government side holding that it was only a partial success.

[27] Luther Gulick L. Urwic (Ed.), "Papers on the Science of Administration", New York, "Institute of Public Administration, 1954, p. 10.

Table 1

Stratification of Respondents

Sl. No.	*Type of Respondents*	*Actual*	*Per cent*
1.	Farmers	20	22.3
2.	Labourers	20	22.3
3.	Businessmen	20	22.3
4.	Students	10	11.3
5.	Politicians	10	11.3
6.	Professionals	10	11.4
	Total:	90	100.9

Table 2

Contact with Government Offices

Sl. No.	*Type of Respondent*	*Yes*		*No*		
		Actual	*Per cent*	*Actual*	*Per cent*	
1.	Farmers	8(40)	9.1	12(60)	13	(100)
2.	Labourers	9(45)	10.0	11(55)	12	(100)
3.	Businessmen	18(90)	20.0	2(10)	2	(100)
4.	Students	10(100)	11.3	—	—	(100)
5.	Politicians	10(100)	11.3	—	—	(100)
6.	Professionals	10(100)	11.3	—	—	(100)
	Total:	65	73.0	25	27	

NOTE—The percentage shown in brackets is percentage of respective category.

About their experience with the government offices, out of the 65 respondents who had contacts with the government offices, 33 per cent said that their work was attended to promptly while 67 per cent said that work was not attended to promptly. In each category of respondents, more than half held that their work was not attended to promptly.

Table 3

Experience of Different Sections with Government Offices

Sl. No.	Type of Respondent	Work was Attended Promptly		Work was not Attended Promptly		
		Actual	Per cent	Actual	Per cent	
1.	Farmers	3 (37.5%)	4.6	5 (62.5%)	8.4	(100)
2.	Labourers	3 (33.3%)	4.6	6 (66.7%)	9.2	(100)
3.	Businessmen	5 (27.7%)	8.4	13 (72.3%)	18.6	(100)
4.	Students	3 (30%)	4.6	7 (70%)	10.8	(100)
5.	Politicians	3 (30%)	4.6	7 (70%)	10.8	(100)
6.	Professionals	4 (40%)	6.2	6 (60%)	9.2	(100)
	Total:	21	33.0	44	67.0	

Table 3A

Factors Responsible for Prompt Attendance of Work (Multiple Response)

Sl. No.	Factors	Actual	Per cent
1.	Office people were helpful	7	33.3
2.	Office people were known	13	62.0
3.	Influential persons	10	47.6
4.	Money	9	43.0
5.	Went through an influential person	6	28.6
6.	Any other	2	9.5
	Total:	47	224.0

Out of the 21 (33 per cent) respondents who said that work was attended to promptly, 33.3 per cent said that their work was done promptly because office people were helpful. Others mentioned factors like office people were known to him, personal influence, money, went through an influential person, etc. These were powerful factors for getting the work done promptly.

To the question as to what reasons the office people offered for delaying the work, the respondents' reactions were very strong. Broadly, the reasons which they gave were: the concerned persons were absent; the office people were busy with some other work; on technical grounds; and no stock of the required commodity available at the samiti level, etc. Apart from these reasons, some of the respondents said, "it was deliberate", "they were lazy", and "they expect some money". For these reasons they take shelter under 'silly rules' till they were pleased by some or the other method.

Table 3B

Ultimate Result of Their Work

Sl. No.	*Response*	*Actual*	*Per cent*
1.	Work was done	50	77.0
2.	Work was not done	15	23.0
	Total:	65	100.00

The respondents were asked whether finally their work was done or not. Seventy-seven per cent said that their work was done while 23 per cent said that their work was not done.

Table 3C

The Attitude of the Respondents who have had Contacts with the Government Offices Towards the Strike

Sl. No.	*Attitude*	*Not Satisfied*		*Satisfied*		*Total*	
		Actual	*Per cent*	*Actual*	*Per cent*	*Actual*	*Per cent*
1.	Reasonable	12 (27.3)	18	17 (81)	26	29	44
2.	Unreasonable	32 (72.7)	49	4 (19)	7	36	56
	Total:	44	67	21	33	65	100

It was attempted to know, how far the respondents' attitude towards the strike was influenced by his experience with government offices. Out of the 65 respondents who had contacts with the government offices,

67 per cent said that they were not satisfied with government offices and their experience was very discouraging while 33 per cent said that their experience was good and that they were satisfied. Out of the 44 (67 per cent) who said that they were not satisfied, 72.7 per cent said that the strike was unreasonable, while 27.3 per cent said it was reasonable. Out of 21(33 per cent) who were satisfied, 81 per cent said that strike was reasonable and only 19 per cent said that strike was unreasonable. This shows that, to a large extent, the respondents whose experience was satisfactory sympathized with the strike while those whose experience was 'not satisfactory' did not sympathize with the strike.

Table 4

Respondents' Awareness of the N.G.Os. Strike

Sl. No.	*Response*	*Actual*	*Per cent*
1.	Heard	90	100
2.	Not heard	—	—

It is interesting to observe that all the respondents have heard of the N.G.Os. strike. No section of population is an exception to it.

About their knowledge of the various demands of the N.G.Os., an overwhelming majority said that the demands of the N.G.Os. related to the increase in their emoluments. Although there were other demands, people did not take them seriously. This, perhaps, happened because the controversy between the Government and the N.G.Os. revolved mainly around the interim relief. A few respondents, of course, pointed out demands, like 'mulki rules'. A fraction also held that the N.G.Os. had gone on strike because "it was their habit".

About reaction to N.G.Os. demands, 51 per cent said that the demands were reasonable while 49 per cent said demands were unreasonable. The opinions were sharply divided among farmers, businessmen, students and politicians. But from the labourers, 80 per cent have supported the strike, while from the professionals 80 per cent did not extend their support.

The 49 per cent of the respondents, who have said that their demands were unreasonable, were asked to give reasons. They said, firstly, that increase in their salaries would contribute to inflationary trend; secondly, that since government had many other commitments it should

Table 5

Reaction to N.G.Os. Demands

Sl. No.	*Type of Respondent*	*Reasonable*		*Unreasonable*	
		Actual	*Per cent*	*Actual*	*Per cent*
1.	Farmers	9(45)	10.0	11(55)	12.0(100)
2.	Labourers	16(80)	17.7	4(20)	4.4(100)
3.	Businessmen	9(45)	10.0	11(55)	12.4(100)
4.	Students	4(40)	4.4	6(60)	6.6(100)
5.	Politicians	6(60)	6.6	4(40)	4.4(100)
6.	Professionals	2(20)	2.3	8(80)	8.8(100)
	Total:	46	51.0	44	48.6

not spend more money on the salaries of the employees; thirdly, that unemployed people should be given opportunities, and fourthly, a few respondents held that the employees were depending upon "other methods" of income, therefore, they thought there was no need for increase in their salaries.

Table 6

Respondents' Awareness of the Attitude of the Government Towards Strike

Sl. No.	*Response*	*Actual*	*Per cent*
1.	Aware	63	70.0
2.	Not aware	27	30.0
	Total:	90	100.0

About the government's attitude towards the strike, 70 per cent of the respondents were aware, while 30 per cent of them were not aware of the government's stand. Among the 30 per cent who were not aware of the governments stand were mainly labourers, a few farmers and a fraction of businessmen.

Table 7

Reaction of Different Sections to Government's Attitude

Sl. No.	Type of Respondent	Reasonable		Unreasonable	
		Actual	Per cent	Actual	Per cent
1.	Farmers	5	8.0	8	13.0
2.	Labourers	4	6.5	1	1.5
3.	Businessmen	9	14.5	8	13.5
4.	Students	4	6.5	4	6.5
5.	Politicians	5	8.0	5	8.0
6.	Professionals	7	12.0	3	4.0
	Total:	34	54.0	29	46.0

About the reaction of public to governments' attitude, 54 per cent said that government was reasonable, while 46 per cent held that the government was unreasonable. Opinions are equally divided among the businessmen, students and politicians. The Government's stand had been supported mainly by professionals while it had been criticized by farmers and, to some extent, by businessmen. However, it has to be borne in mind here that majority of respondents from those who were not aware of the Government's stand sympathized with the strike.

Table 8

Effect of the Strike

Sl. No.	Response	Actual	Per cent
1.	It caused inconveniences to the public	71	77.7
2.	There was no inconveniences to the public	19	22.3
	Total	90	100.0

Table 9

Inconvenience to the Respondents

Sl. No.	*Type of Respondent*	*Caused Inconvenience*		*Did not Cause Inconvenience*	
		Actual	*Per cent*	*Actual*	*Per cent*
1.	Farmers	11	12.0	9	10.0
2.	Labourers	6	6.6	14	15.5
3.	Businessmen	10	11.0	10	11.0
4.	Students	8	9.0	2	2.1
5.	Politicians	6	6.6	4	4.4
6.	Professionals	7	7.8	3	4.0
	Total:	48	53.0	42	47.0

It was attempted to know whether the strike had caused any inconvenience to the public. The strike was intended to gain public sympathy by causing inconvenience to the general public. An overwhelming majority, *i.e.*, 82 per cent, thought it had caused inconvenience. Only 18 per cent said that it did not cause any inconvenience to the public. Further, the respondents were asked whether it had caused any inconvenience to them personally. Fifty-three said that it had caused inconvenience to them personally, while 47 per cent said that it did not cause any inconvenience.

In this table, we tried to show how the factors, such as personal inconvenience and public inconvenience, had cumulatively influenced the attitude of the respondent towards the strike. Out of 48(53.4 per-cent) respondents, who said the strike had caused personal and public inconvenience, 54 per cent said the strike was unreasoable while 46 per cent said that strike was reasonable. Out of 23 (25.4 per cent) respondents, who said that the strike caused public inconvenience but no personal inconvenience, 56.5 per cent said that the strike was unreasonable, and 43.5 per cent said that the strike was reasonable. Out of 19 (21.2 per cent) respondents, who said that the strike did not cause any personal or public inconvenience, 57.9 per cent said that the strike was reasonable while 42.1 per cent held that the strike was unreasonable.

Table 10

Cumulative Effect of two Factors on Respondents' Attitude Towards Strike

Sl No.	Category of Respondent	Strike is reasonable		Strike is Unreasonable	
		Actual	Per cent	Actual	Per cent
1.	Personal inconvenience Public inconvenience	22(46)	24.4	26(54)	29
2.	Public inconvenience No personal inconvenience	10(43.5)	11.1	13(56.5)	14.3
3.	No public inconvenience No personal inconvenience	11(57.9)	12.2	8(42.1)	9
	Total:	43	47.7	47	52.3

Although the analysis does not reveal any striking trend, it does show that the inconvenience, public and personal, had disposed the respondent negatively towards the strike because majority of the respondents (54 per cent) in the first category did not sympathize with the strike while in the third category, where the respondents were not affected by the strike, majority of the respondents (57.9 per cent) had sympathized with the strike. Therefore, a hypothesis may be construed that inconveniences the strikes generally cause incur the displeasure of the public and not gain their support.

In this table, we have tried to show how three factor, *viz*., 'not satisfied with the work of government offices', 'strike caused public inconvenience', and 'personal inconvenience' influenced the attitude of respondents towards the strike. In the first category, the effect of three negative factors has been studied. In this category, 62 per cent of the respondents did not sympathise with the strike. In the second category, the effect of two negative factors and one positive factor is analysed. Although there is one positive factor, 66.7 per cent of the respondents did not sympathise. The same thing is true with the third category where there are two positive factors and only one negative

Table 11

Cumulative Effect of Three Factors on Respondents Attitude Towards Strike

Sl. No.	Category of Responses	Reasonable		Unreasonable		Total
		Actual	Per cent	Actual	Per cent	
1.	Not satisfied Public inconvenience Personal inconvenience	11 (38)	17.0	18 (62)	27.7	29 (100)
2.	Not satisfied Public inconvenience No personal inconvenience	3 (33.3)	4.6	6 (66.7)	9.2	9 (100)
3.	Not satisfied No public inconvenience No personal inconvenience	2 (33.3)	3.0	4 (66.7)	6.0	8 (100)
4.	Satisfied Public inconvenience Personal inconvenience	7 (58.3)	10.7	5 (41.7)	7.7	12 (100)
5.	Satisfied Public inconvenience No personal inconvenience	5 (62.5)	7.7	3 (37.5)	4.6	8 (100)
6.	Satisfied No public inconvenience No personal inconvenience	1 (100)	1.6	—	—	1 (100)
	Total:	29	44.6	36	55.5	

factor. It shows that the attitude of respondent was mostly shaped by his experience with government office rather than factors, like personal or public inconvenience due to the strike. This hypothesis is supported by the fourth category of responses, where there are two negative factors but only one positive factor, *i.e.*, 'they are satisfied with office work', 58.3 per cent sympathized with the strike. In the fifth category the effect of two positive factors and one negative factor is analysed. In this category, 62.5 per cent had sympathized with the strike and in the last category the three positive factors made the respondent positive towards the strike. This analysis reveals that all the factors did not leave the same degree of influence on the respondent. From the three factors, the effect of which is analysed, the factor 'satisfaction with government offices' has played a more decisive role than the other two factors in shaping the attitude of the respondent towards the strike.

It has to be admitted, however, that the analysis about cumulative effect did not reveal any decisive trend. There were respondents who, although under the influence of positive factors, did not sympathize with the strike while there were respondents who were under the influence of negative factors but yet sympathized with the strike. This indicates that there were some other influences, other than those which have been covered by this survey, which have shaped the attitude of the respondents towards the strike. A thorough survey of various influences and their cumulative impact on respondent may give a clue to the 'laws' which govern the thinking of the individual.

IV

This survey throws light on certain important factors. It shows that there is increasing interaction between the government and the people. In this context, the growing disappointment about the performance of government departments assume considerable importance. Because by and large, the opinions of people are formulated in the light of their experience. The underlying belief that strike, are aimed to cause inconvenience in order to enlist the sympathy of common man is proved to be incorrect.

We have tried to examine the cumulative effect of various factors on the attitude of the respondents. Although the results are not remarkable they do point out a trend. If the method is employed on a large scale and more intensely, it may become possible to build up a theory based on empirical validity. That is how gradually the gap between theory and practice can be mitigated.

INSTITUTE NEWS

The Meeting of the Annual General Body of the Institute has been fixed for October 28 at 5 p.m.

The Subject for Members' Annual Conference, to be held on October 29, is "Administrative Aspects of an Approach to the Fifth Five Year Plan".

Once again (as was done last year), no specific subject has been fixed for IIPA's Annual Essay Prize Competition. The contestants have been allowed to choose any specific aspect of Public Administration. As usual, first prize carries a cash award of Rs. 1,000, and two second prizes, Rs. 500 each.

* * *

Dr. P. S. Lokanathan, one of the nation's foremost economists, passed away on May 5 at Madras. He was an elected member of the Executive Council of the Institute from 1966 to 1970, Member of IIPA's Evaluation Panel, and Chairman of IIPA's Implementation Committee. Members of IIPA staff met to mourn his death on May 6.

During the last six months (April-September), the Institute conducted the following courses for senior and middle-level officers of Union and State Governments, Union Territory Administrations, municipal committees/corporations, public sector undertakings, etc.

(1) Refresher Course on Financial Management with special reference to Performance Budgeting, April 19-29 (Chandigarh);

(The course was inaugurated by *Dr. J. N. Khosla*, former Director of IIPA and currently U.N. Adviser on Training to the Government of Ethiopia.)

(2) Fourth Course on Personnel Administration, April 24-May 6 (New Delhi);

(The course was inaugurated by *Shri R. N. Mirdha*, Minister of State in Union Ministry of Home Affairs.)

(3) First Course in Network Techniques and Performance Budgeting, May 17-25 (New Delhi); (Intended for construction executives, it was inaugurated by *Dr. K. L. Rao*, Union Minister for Irrigation & Power. The Course included practical exercises for participants to help them know about implementation of an illustrative project.)

(4) Course on Human Relations for Management of Change, June 4 to 11 (Mussoorie);

(5) Sixth Course on Budgeting and Financial Control, June 14 to 28 (New Delhi);

(6) Fifth Course on Administrative Leadership and Behaviour, July 17 to 29 (New Delhi); (Concluding session of the Course was addressed by *Shri K. C. Pant*, Minister of State for Home Affairs, Government of India.)

(7) Second Course on Materials Planning in Emergency, July 31 to August 5 (New Delhi);

(8) Third Course on Municipal Budgeting, July 31 to August 12 (New Delhi);

(9) Fourth Course on Training of Trainers, August 21-26 (New Delhi);

(10) Seventh Orientation Course on Project Formulation, September 1-7 (New Delhi);

(11) First Course on Comparative Local Government, September 11-23 (New Delhi);

(The inaugural address in the Course was made by *Shri Kedar Nath Sahni*, Mayor of Delhi.)

(12) Twelfth Course on Performance Budgeting, September 11-20 (New Delhi); and

(Among the 31 participants to this Course was *Mr. Abdul Hai Shahnan*, Director of the Department of Budget, Ministry of Finance, Government of Afghanistan, who attended the course under Technical Cooperation Scheme of Colombo Plan.)

(13) Second Course in Network Techniques and Performance Budgeting, September 21- October 7 (New Delhi).

The course, apart from lectures and dinner discussions, included 24 workshop sessions and extensive use of films. The participants (36) were charged a fee of Rs. 650 per head, excluding boarding and lodging.

* * *

The following seminars/conferences/meeting of Researchers were also conducted during the period:

(1) *Seminar on Local Authority Police Planning for Indian Cities*, April 3-6 (New Delhi);

(2) *Fourth Annual Conference on Training*, April 20-21 (a special session was also held on April 22 (New Delhi);

(The conference was inaugurated by *Shri R.N. Mirdha*, Minister of State in the Union Ministry of Home Affairs.)

(3) *Seminar on Property Tax* July 14-15 (New Delhi);

(The seminar was organized by IIPA's Centre for Training and Research in Municipal Administration);

(4) *Meeting of Researchers from the 12 City Units of UNICEF sponsored project on "Integrated Services for Children and Youth"* August 10-11 (New Delhi); and (The researchers debated on design on basic surveys, process, etc.)

(5) *Seminar on City Police Administration*, September 29-30 (New Delhi).

(The seminar was conducted by IIPA's Centre for Training and Research in Municipal Administration.)

* * *

A group of 29 staff members (including Director, Course Coordinators, Instructors, etc.) from Bangla Desh's National Institute of Public Administration visited the Institute on June 7. The visit was arranged by the Ministry of External Affairs, Government of India.

Hon'ble Mr. Abdel Rehman Abdulla, Minister of Public Service and Administrative Reforms, Government of Sudan, paid a visit to the Institute on August 23. He also met the faculty of the Institute.

Prof. G. Mukharji is on leave from July 10 onwards for health reasons and the Executive Council has nominated *Shri Gopeshwar Nath*, Member of the Executive Council, to discharge the functions of Director during the absence of Prof. Mukharji.

The Institute brought out the

following publications during April-September:

(1) "Application of Performance Budgeting in the Central Public Works Department" by *S. S. Viswanathan and A. V. Chaturvedi* (p. 136, Rs. 10.00);

(2) "Government Through Consultation—Advisory Committees in Indian Government" by *Dr. S. R. Maheshwari* (p. 380, Rs. 25.00);

(3) "Case Studies in Panchayati Raj" by IIPA's Committee on Case Studies (p. 161, Rs. 12.00);

(4) "Materials Planning in Emergency" by *A. P. Saxena* (p. 47, Rs. 4.00);

(5) "New Challonges in Administration" by IIPA's Committee on Case Studies (p. 203, Rs. 12.00);

(6) "Administrators in Action" by IIPA's Committee on Case Studies (p. 298, Rs. 15.00);

(7) "Performance Budgeting in Government (An Illustrative Guide)" by *S. S. Viswanathan* (p. 136, Rs. 12.00); and

(8) "Readings in Performance Budgeting" by *M. J. K. Thavaraj and K. B. Iyer* (eds) (Brought out by M/s Research Publications under the auspices of the Institute) (p. 154, Rs. 25.00).

IIPA's Regional/Local Branches arranged the following talks during April-September:

The programme of the *Rajasthan Regional Branch* for the current year includes: (1) organizing Essay Competition (both in Hindi and English), (2) exploring possibilities of utilizing the research centres of other agencies for conducting some studies, and (3) bringing out compilations containing Hindi versions of articles published in IJPA.

The *Poona Local Branch* had taken up the following two research projects: (1) "The Working of the Committee System in Poona Municipal Corporation" by *Dr. N. R. Inamdar*; and (2) "A Survey of the Poona Municipal Transport" by *Dr. P. C. Shejwalkar*. The first one is being finalized and the second is going to press shortly.

* * *

The new Executive Committee (elected on April 12) of the *Rajasthan Regional Branch* consists of: President: *Shri Barkatullah Khan*, Chief Minister of Rajasthan; Chairman: *Shri B. Mehta*; Vice-Chairman: *Shri S. L. Khurana*, Chief Secretary to the Government of Rajasthan; *Prof. Ziauddin Khan*, Head of the Department of Public Administration, Rajasthan University; Honorary Secretary: *Shri P. K. B. Kurup*, Director, H.C.M. State Institute of Public

Branch & Date	*Subject*	*Speaker*
Regional Branch		
Rajasthan (Jaipur) April 2	"Challenges of Seventies"	*Swami Chidanandji Maharaj*, President, Divine Life Society.
Local Branch		
Poona July 20	"Industrial Labour"	*Shri D. V. Gokhale*, Deputy Secretary, Maharashtra Chamber of Commerce & Industries.
Poona August 2	"Citizen and Transport"	(*Dr. G. S. Mahajani*, Vice-Chancellor of the University of Poona, and President of the Branch, presided over the two lectures which were part of series of talks on "Citizen & Administration".)

(9) Fourth Course on Training of Trainers, August 21-26 (New Delhi);

(10) Seventh Orientation Course on Project Formulation, September 1-7 (New Delhi);

(11) First Course on Comparative Local Government, September 11-23 (New Delhi);

(The inaugural address in the Course was made by *Shri Kedar Nath Sahni*, Mayor of Delhi.)

(12) Twelfth Course on Performance Budgeting, September 11-20 (New Delhi); and

(Among the 31 participants to this Course was *Mr. Abdul Hai Shahnan*, Director of the Department of Budget, Ministry of Finance, Government of Afghanistan, who attended the course under Technical Cooperation Scheme of Colombo Plan.)

(13) Second Course in Network Techniques and Performance Budgeting, September 21- October 7 (New Delhi).

The course, apart from lectures and dinner discussions, included 24 workshop sessions and extensive use of films. The participants (36) were charged a fee of Rs. 650 per head, excluding boarding and lodging.

* * *

The following seminars/conference/meeting of Researchers were also conducted during the period:

(1) *Seminar on Local Authority Police Planning for Indian Cities*, April 3-6 (New Delhi);

(2) *Fourth Annual Conference on Training*, April 20-21 (a special session was also held on April 22 (New Delhi);

(The conference was inaugurated by *Shri R.N. Mirdha*, Minister of State in the Union Ministry of Home Affairs.)

(3) *Seminar on Property Tax*, July 14-15 (New Delhi);

(The seminar was organized by IIPA's Centre for Training and Research in Municipal Administration);

(4) *Meeting of Researchers from the 12 City Units of UNICEF sponsored project on "Integrated Services for Children and Youth"*, August 10-11 (New Delhi); and (The researchers debated on design on basic surveys, process, etc.)

(5) *Seminar on City Police Administration*, September 29-30 (New Delhi).

(The seminar was conducted by IIPA's Centre for Training and Research in Municipal Administration.)

* * *

A group of 29 staff members (including Director, Course Coordinators, Instructors, etc.) from Bangla Desh's National Institute of Public Administration visited the Institute on June 7. The visit was arranged by the Ministry of External Affairs, Government of India.

Hon'ble Mr. Abdel Rehman Abdalla, Minister of Public Service and Administrative Reforms, Government of Sudan, paid a visit to the Institute on August 23. He also met the faculty of the Institute.

Prof. G. Mukharji is on leave from July 10 onwards for health reasons and the Executive Council has nominated *Shri Gopeshwar Nath*, Member of the Executive Council, to discharge the functions of Director during the absence of Prof. Mukharji.

The Institute brought out the

following publications during April-September:

(1) "Application of Performance Budgeting in the Central Public Works Department" by *S. S. Visvanathan and A. V. Chaturvedi* (p. 136, Rs. 10.00);

(2) "Government Through Consultation—Advisory Committees in Indian Government" by *Dr. S. R. Maheshwari* (p. 380, Rs. 25.00);

(3) "Case Studies in Panchayati Raj" by IIPA's Committee on Case Studies (p. 161, Rs. 12.00);

(4) "Materials Planning in Emergency" by *A. P. Saxena* (p. 47, Rs. 4.00);

(5) "New Challenges in Administration" by IIPA's Committee on Case Studies (p. 203, Rs. 12.00);

(6) "Administrators in Action" by IIPA's Committee on Case Studies (p. 298, Rs. 15.00);

(7) "Performance Budgeting in Government (An Illustrative Guide)" by *S. S. Viswanathan* (p. 136, Rs. 12.00); and

(8) "Readings in Performance Budgeting" by *M. J. K. Thavaraj and K. B. Iyer* (eds.) (Brought out by M/s Research Publications under the auspices of the Institute) (p. 154, Rs. 25.00).

IIPA's Regional/Local Branches arranged the following talks during April-September:

The programme of the *Rajasthan Regional Branch* for the current year includes: (1) organizing Essay Competition (both in Hindi and English), (2) exploring possibilities of utilizing the research centres of other agencies for conducting some studies, and (3) bringing out compilations containing Hindi versions of articles published in IJPA.

The *Poona Local Branch* had taken up the following two research projects: (1) "The Working of the Committee System in Poona Municipal Corporation" by *Dr. N. R. Inamdar*; and (2) "A Survey of the Poona Municipal Transport" by *Dr. P. C. Shejwalkar*. The first one is being finalized and the second is going to press shortly.

* * *

The new Executive Committee (elected on April 12) of the *Rajasthan Regional Branch* consists of: President: *Shri Barkatullah Khan*, Chief Minister of Rajasthan; Chairman: *Shri B. Mehta*; Vice-Chairman: *Shri S. L. Khurana*, Chief Secretary to the Government of Rajasthan; *Prof. Ziauddin Khan*, Head of the Department of Public Administration, Rajasthan University; Honorary Secretary: *Shri P. K. B. Kurup*, Director, H.C.M. State Institute of Public

Branch & Date	*Subject*	*Speaker*
Regional Branch		
Rajasthan (Jaipur) April 2	"Challenges of Seventies"	*Swami Chidanandji Maharaj*, President, Divine Life Society.
Local Branch		
Poona July 20	"Industrial Labour"	*Shri D. V. Gokhale*, Deputy Secretary, Maharashtra Chamber of Commerce & Industries.
Poona August 2	"Citizen and Transport"	(*Dr. G. S. Mahajani*, Vice-Chancellor of the University of Poona, and President of the Branch, presided over the two lectures which were part of series of talks on "Citizen & Administration".)

Administration, Jaipur; Joint Secretary: *Shri V. S. Sisodia*, Assistant Director, H.C.M. State Institute of Public Administration; and Treasurer *Shri L.N. Shandilya*, Deputy Secretary, Department of Finance (Rules), Government of Rajasthan.

New office bearers of *Poona Local Branch* are: Chairman: *Dr. G. S. Mahajani*, Vice-Chancellor, University of Poona; Honorary Secretary and Treasurer: Dr, N. R. Inamdar; and Assistant Secretary: *Shri V. G. Nandedkar*.

RECENT TRENDS AND DEVELOPMENTS IN PUBLIC ADMINISTRATION

The North-Eastern Council came nto being on August 1. The main unction of the Council would be to ormulate a coordinated regional plan o supplement the Five-Year Plans f the individual States and Union Territories in the region. There vould be a separate allocation of Central assistance for the regional lan distinct from the allocation for he individual State plans.

Of the 527 recommendations nade by the Administrative Reforms Commission, the Government of ndia, according to the Annual Re- ort of the Department of Adminis- rative Reforms for the year 1971-72, ad dealt with 271 recommendations. he report goes on the say: the ecision taken, cover most of the re- ommendations made in the reports n the problems of redressal of citi- en's grievances; machinery for plan- ing; public sector undertakings; nance, accounts and audit; economic dministration; machinery of the overnment of India and its Proce- ures of Work; Central Direct Tax dministration; Treasuries and Ad- inistration of Union Territories nd NEFA (now Arunachal). Be- des, some of the recommendations lso relate to the reports on Life surance Administration; Personnel dministration; State Administration; ailways; and Posts and Telegraphs. he remaining recommendations of e above mentioned reports, as also ose contained in the reports on elegation of financial and adminis- ative powers, Centre-State Rela- onship; Small Scale Sector; Reserve ank of India; and Scientific Depart- ments are at various stages of consi- deration. Recommendations made in the report on Centre-State Relation- ship cover wide fields which are of common interest to the Central and State Governments. This re- port has, therefore, been sent to the State Governments to elicit their opinion.

Giving details of the follow-up actions, the report states: On the re- commendation of the report on the problems of redressal of citizens' grievances, the Lokpal and Loka- yuktas Bill has been reintroduced in the Lok Sabha. The corpus of the Contingency Fund of India has been raised from Rs. 15 crores to Rs. 30 crores. The Comptroller and Audi- tor General's (Duties, Powers and Conditions of Service) Bill has been passed. Commodity boards, like the Tea, Coffee and Rubber Boards, have been allowed large measure of flexibility once their budgets are ap- proved. Powers have also been dele- gated to the Indian Council of Trade Fairs and Exhibitions and the Direc- torate of Exhibitions to incur ex- penditure against bulk allotment of foreign exchange. It has also been decided that the powers of the central office and zonal offices of the Life Insurance Corporation should be de- legated to lower levels and after a period of transition the zonal offices are to be abolished. In respect of treasuries, it has been decided that the departmental offices will receive payments tendered by the public, through cheques, bank drafts, postal orders, money orders or in cash. The responsibility for finalization of

the various formalities associated with the payment of money will squarely rest with the departmental officers who should arrange to remit the amount to the payee concerned and pay the cash across the counter up to Rs. 50 to begin with. Payments to pensioners up to Rs. 300 are to be made in cash at treasuries and pensions up to Rs. 100, at the request of the pensioned, should be remitted by money order at government expense.

In its 39th Report, the Public Accounts Committee (1971-72, Fifth Lok Sabha) has called for an early decision about the future organizational set-up of All India Radio and has expressed the hope that the reorganization of the broadcasting services would result in delegation of more administrative and financial powers to the organization to enable it to function more efficiently.

While taking exception to the AIR practice of obtaining public sector and Government advertising for commercial broadcasting through agents, instead of getting them directly or through DAVP, the Committee has said that the Bureau of Public Enterprises (Ministry of Finance) should issue necessary directions to the Public Undertakings to the effect that except where there are any exceptional circumstances, they should use the services of DAVP in the matter of commercial advertising.

The Committee also feels that listener research should be provided with necessary financial resources and that periodical surveys be carried out on a regular and planned basis.

Broadly on the lines of the existing set-up of and functioning of the Atomic Energy Commission and the Electronics Commission, the Government of India set up a Space Commission on June 2, 1972 to promote the rapid development of activities connected with Space Science, Space Technology and Space Applications. It will be headed by *Prof. S. Dhawan*, Director of the Indian Institute of Science with headquarters at Bangalore.

The Ministry of Railways has appointed a four-member group to look into all aspects of the problem concerning malpractices of unauthorized agencies and other anti-social elements in obtaining reservations of seats and berths in trains. The committee has been asked to suggest appropriate measures to deal with the problem. Shri *Krishan Kant*, M.P., is the Chairman of the group.

While making recommendations pertaining to increasing administrative efficiency and operational effectiveness and securing economy in the working of different offices of the departments operating in the districts, *Gujarat* government's high-level Team on District Administration laid greater emphasis on follow-up action and urged that in each department of the Secretariat, Deputy Secretary (Coordination) and one Member (O.S.D., F.D.) be made responsible for implementation of the recommendations of the Team.

Amongst the Departments studied by the Team were: General Administration; Home Department; Finance Department; Agriculture, Forests and Cooperation Department; Revenue Department; Public Works Department; Industries, Mines and Power Department; Education and Labour Department; and Panchayats and Health Department. The final chapter in the report describes the Emerging Profile of the District Administration.

The *Kerala* Public Service Commission has introduced a scheme for the use of [illegible] forms for applying for different posts for which selection is done by the

Commission. According to this, the candidates need not remit fees prescribed by treasury chalans/court fee stamps, but instead they will have to purchase the forms on which appropriate value will be embossed. The new scheme came into effect from June 1, 1972.

A high-level Group will outline, measures necessary to make *Maharashtra* Government machinery and procedures more responsive and sensitive to public opinion. The Group will make specific recommendations to the Cabinet Sub-committee constituted for the implementation of the 5-point programme.

The Reforms Commission, set up by the Government of *Madhya Pradesh* in 1969, has in its report observed that it was not an "unusual experience" that a government servant came one hour late and enjoyed a two-hour lunch intermission against the permissible half-an-hour's break). It came as a shock to the Commission that the gross takings by way of State taxation out of the gross domestic product of the State were no more than 3·5 per cent.

In view of the 13·1 per cent compound growth rate of establishment costs during the last decade and the 4·2 per cent growth rate of revenue, the Commission observed that if there is no change in numbers or in the rate of remuneration and it continues to be what it is today, the State would be left with no revenue surplus in 1979-80 if the past trend of price increase persists. For convenient and expeditious transaction of business the Commission prefers only four administrative levels, namely, (*i*) block, (*ii*) district, (*iii*) division, and (*iv*) State. According to the Commission, the block should be the primary unit of planning and the unit of administration charged with operational or execution responsibilities of such developmental activities as are significant and important to its area. Further, the district level should become the principal point of operational control and exercise some of the management control functions.

The Commission have found that at present the parallel hierarchies, namely, the Secretariat and the officer of the Heads of Departments, have developed serious structural defects affecting their efficiency and capacity to fulfil the purpose of a welfare state. It, therefore, recommended radical structural reorganization to meet the challenge of the time. Other serious defects the Commission came across were: (*a*) the rather casual and inadequate association of experts in the higher management of public business, and (*b*) almost irrational system of allocation of business.

The Commission have recommended that a survey of expenditure and prospective income should be made annually for a period of years ahead.

The reports of the Commission deal with the following subjects: (*i*) Levels of administration; (*ii*) Machinery of Government—Part I, focussing on principles of organization and allocation of business; (*iii*) Machinery of Government—Part II, in which the principles enunciated in Part I are applied and the functions, responsibility categories and organisation of individual departments at all levels are indicated; (*iv*) Methods and procedures; (*v*) Financial administration; (*vi*) Personnel administration; (*vii*) Support services; (*viii*) Vigilance organization and redress of citizens' grievances; and (*ix*) General recommendations dealing with matters which could not be properly treated in any of the above mentioned reports.

With a view to reorganizing the administration of the 49 minor ports

in *Maharashtra*, the State Government has constituted the Maharashtra State Ports Authority under the Chairmanship of the Secretary, Buildings and Communications Department.

The ports Authority will be responsible for the administration of the Indian Ports Act, 1908; the Inland Steam Vessels Act, 1971; and the Bombay Landing and Wharfage Fees Act, 1882. It will work under the supervision, direction and control of the State Government.

A special feature of the proposed West Bengal State Planning Board is that it shall be organized from districts or even sub-divisions upwards, and Zila Parishads playing an important role in formulating and executiing plan projects intended for rural uplift.

The proposed Board shall be made up of two tiers: (1) a deliberative wing where all projects and programmes are discussed in detail and which is formed of economists; and (2) a planning cell to evaluate implementation of projects and supervise execution.

The Delhi Administration has initiated a phased programme of administrative reform. In the first phase, the procedures of work in the public dealing departments are being reviewed to cut down red tape and simplify the decision-making process. As part of this programme, the Administrative Reforms Department of the Administration has made a study of the procedures for disposal of various types of applications which the public makes to the Food and Supplies Department. A major recommendation of the Study, which is receiving the attention of the Administration, is that, as a general rule, citizens should not have to make more than one visit to the department for obtaining either a new food card or permit for sugar for marriages or other similar services. Similar studies will be made in other departments also.

*　　*　　*

Class III and Class IV posts account for nearly 97 per cent of the regular Central Government employyees according the census for 1969-70. Class I and Class II posts comprised only 2.6 per cent. Thus, for every Class I/II employee there were about 19 Class III and 18 Class IV employees as on March 31, 1970. The census has been conducted by the Directorate General of Employment and Training of the Union Ministry of Labour.

Of the total regular Central Government employees, only 51,294 or 1·9 per cent were gazetted. Thus, on an average there were 51 non-gazetted employees for each gazetted officer in 1970 as in 1969.

Nearly 50 per cent of the regular Central Government employees were drawing a pay between Rs. 100 and Rs. 149 per month during March 1970; 17·8 per cent employees were in the pay range of Rs. 150-199 and another 18·6 per cent in the Rs. 200—299 range. Only 3 per cent of the regular Central Government employees were drawing a pay of Rs. 500 and above.

The representation of women employees in the Central Government establishments increased from 2·37 to 2·41 per cent during 1969-70. There were 63,889 women employees in March 1970; the Ministry of Communication having the largest number (17,503) and Railways (16,130) being second in order. The percentage increase in employment of women was the highest in the Department of Indian Audit and Accounts (29·8 per cent) followed by the Ministry of Education and Youth Services (11·6 per cent) and

Department of Communications (5·1 per cent). However, the Ministry of Railways, though the single biggest employer for the Central Government employees, recorded a decrease of 2·3 per cent in women employment during 1969-70 in spite of an increase of 0·4 per cent in total employment.

The Committee on Public Undertakings (1971-72, Fifth Lok Sabha) in its report (17th) has expressed its regret that no systematic study has ever been made by sociologists and social-psychologists in the matter of industrial motivation, nor has the Bureau of Public Enterprises made any effort in this direction. It has, therefore, recommended taking up a study to devise ways and means of promoting a psychological climate in the public undertakings wherein the workers and the management give their best to the undertakings.

The Committee has strongly favoured the participation of workers and their representatives in management of public undertakings. It has recommended that it should be first tried in one or two selected undertakings and watched. According to the Committee, senior posts should be manned by executives who are professionally qualified and who are non-migratory and have a genuine interest in building up bridges of understanding between the workers and management at every level.

While noting that Government has already laid down a broad policy with regard to filling up the top management posts from talent available within the undertaking, the Committee suggests that the Bureau of Public Enterprises should take special interest in this vital field and lay down, in consultation with the Department of Personnel at the Centre and the Institute of Management and the UPSC, broad guidelines for recruitment to the management cadre.

The Committee attaches great importance to the provision of adequate training facilities, including leave for workers, at all levels, so that they can improve their skill and knowledge and qualify for higher posts.

The Committee favours introductions of a system of identifying talent among the workers in undertakings and giving them opportunities for development. Broadly, it has recommended that: (*i*) Seniority should be the basis for promotion at lower levels. There should be a promotion committee for the lower level in each undertaking; (*ii*) In respect of middle management-level (technical supervisory and administrative personnel), seniority-cum-merit should be the criterion for promotion. The general policy should be to fill as many vacancies as posssible from internal sources by promotion. Only when suitable persons are not available, resort to outside recruitment may be made, on all India basis. A Promotion Committee should be set up for middle management level in each undertaking; and (*iii*) For higher managerial (technical and administrative positions) merit alone should be the guiding factor. As far as possible, talented and professionally competent persons should be selected from within the undertaking for managerial posts. If, however, suitable and competent persons are not available inside the organization, selection on all India basis may be made.

In relation to the organization of the Personnel Department of the Public Undertakings, the Committee has stated that the officer in overall charge of the personnel matters should be accorded a status of importance comparable to that of the

Director/Manager to facilitate the industrial relations problems to be considered at the highest level.

Some of the other issues dealt with by the Committee include: (*a*) foreign personnel, (*b*) labour unrest, (*c*) recognition of labour unions, (*d*) labour welfare schemes, (*e*) grievance machinery, and (*f*) working conditions.

The Government of India has raised the qualifying age for recruitment to the all-India services from 24 to 26 years to ensure that persons coming from backward regions and those who started education late, were not put at a disadvantage. The new upper age limit will be further relaxable in the case of Scheduled Castes and Scheduled Tribes and certain other categories. The upper age limit for the engineering services examination has already been raised from 25 to 30 years.

The Government of India, in consultation with the UPSC, has decided to raise the upper age limit for direct recruitment to Engineering Services and posts for which a degree or diploma in engineering is prescribed as the basic qualification. The relaxation will not apply for entry to Services and posts in Defence Forces. It also does not affect the existing age concessions admissible to the Scheduled Castes and the Scheduled Tribes and other special categories of persons in respect of whom specific orders have been issued from time to time.

The "National Service Bill", adopted by the Lok Sabha on May 22, will enable the Government to call up on payment of remuneration, engineers and doctors below 30 years for four years' service in nation-building activities and health services in rural areas. Those who resist would invite a penalty of jail term and payment of fine. An agency would be set up to mobilise these two professional groups for such service.

The Government of *Assam* has decided to raise the upper age limit for all categories of candidates for entry into the State Government Service, irrespective of qualifications, from 25 years to 30 years. Scheduled Castes/Scheduled Tribes and Ex-serviceman candidates will be allowed special relaxation up to the age of 32 years. A candidate for Government service will be required to pay only once an application fee of Rs. 2 and be eligible for sending in subsequent applications for direct recruitment only.

The Government of *Madhya Pradesh* has raised, subject to a screening regarding honesty and integrity and efficiency, the age-limit of superannuation from 55 to 58 years (60 years in case of 'specialists' in technical and scientific services) for its employees belonging to Class I, II & III with effect from April 21, 1972. After the age of 55 years, any Government servant may be retired from service in the public interest by giving him three months notice or pay and allowances for that period in lieu thereof.

The Government of *Rajasthan* had decided to constitute a Committee (with a Member of Public Service Commission as its Chairman) to scrutinise retirement cases of those Government servants (excepting R.J.S. officers, permanent officers of P.S.C. and R.L.A.) who have completed 25 years of services with an unsatisfactory record. As per Rule 244(2) the Government of Rajasthan has an absolute right to retire any Government servant in public interest after his completing 25 years of service.

With the promulgation of U.P. Recruitment to Service (age limit) Rules, 1972, the upper age limit

for recruitment to various services and posts under the Uttar Pradesh Government shall now be 27 years. The change came into effect from March 24, 1972.

Government of *Maharashtra* has appointed a committee to study the conditions of work and employment of scavengers and sweepers in the Corporation areas in the State (Greater Bombay, Poona, Nagpur and Sholapur) and make recommentions for their amelioration.

From time to time, the Government of *Rajasthan*, has given some assurances in writing to the All-*Rajasthan* Government Employees' Federation. Ensuring expeditious implementation of these assurances will be the job of a Committee, set up by the Government. Financial Commissioner is its Chairman.

A sub-Committee, consisting of officials dealing with public undertakings in *Rajasthan*, will consider the main recommendations made by the National Commission on Labour relating to the State Enterprises. To the Government it will also suggest necessary steps to be taken to implement these recommendations.

The Lok Sabha and the Rajya Sabha adopted on September 2 and 4 respectively, the Bill abolishing some of the special privileges of the Indian Civil Service officers. The retirement age of the ICS officers, *inter alia*, will be brought on par with that of the Indian Administrative Service; their maximum pay scales and higher pensions will, however, continue.

The Government of *Gujarat* has decided that all IAS Officers drawing Selection Grade pay, when appointed in the State Secretariat against the posts of Deputy Secretary should be designated as Joint Secretaries to Government, with immediate effect. The aim is to raise the status of I.A.S. Deputy Secretaries drawing Selection Grade pay, without altering the number of posts earmarked for "Deputy Secretaries to Government" as per the IAS Grade Schedule.

The Government of *Maharashtra* has set up a panel to consider the question of caderization of Secretaries of primary agricultural credit and 'seva' societies in the State.

The Union Government has constituted a Committee to go into the question of integration of services and pay scales of the employees of the 106 general insurance companies whose managements were nationalized by the Government last year. The Committee is headed by *Shri K. P. Mathrani*, a former Secretary in the Ministry of Food and Agriculture.

Apart from examining the anomalies in the pay scales prescribed for Class IV employees, the one-Man Committee appointed by the *Rajasthan* State Government will also review those in the pay scales of the Ministerial and Subordinate Services in the Rajasthan Civil Services (New Pay Scales) Rules, 1969. The Committee, while doing so, will take into account their duties and responsibilities and the qualifications and experience prescribed for the posts.

The Government of Madhya Pradesh has amended pension rules to enable a Government servant to retire from service at any time after completing twenty years qualifying superior service. The Government may also require a Government servant to retire at any time after his completing 30 years' qualifying superior service. A Government servant retiring in the aforesaid manner will be granted a retiring pension not exceeding 20 to 30/80ths of his emoluments, *i.e.*, in proportion to the length of his qualifying superior service at the time of retirement.

The minimum pension plus temporary increase payable to the service pensioners of *Kerala* State has been enhanced to Rs. 50 per mensem with effect from March 1, 1972.

Payment of Gratuity Bill which provides the benefit of gratuity to employees working in establishments, like factories, mines, plantations, shops, ports, was adopted by Rajya Sabha on August 7. The Lok Sabha accorded its approval to the Bill on August 3.

An eight-member panel, including representatives of employers and major trade unions, has been appoined to review the operation of payment of Bonus Act, 1965. The panel will recommend, *inter alia*: (1) Whether establishments, other than factories, employing less than 20 workers may be covered by the Act and if so, up to what limit of employment? Should there be a separate formula for payment of bonus in these small establishments? (2) Is there a case for raising the minimum bonus (four-per cent) and if so, to what level? (3) Whether the present upper limit on payment of bonus and the system of "set-on" and "set-off" require any alteration and if so, on what lines? (4) Whether the entire bonus payment should be related in one way to production/productivity in the undertaking? and (5) Whether the present minimum bonus of four per cent may continue, but a provision be made for its being supplemented through suitable scheme of production/productivity?

New legislation as well as changes in the old laws with a view to benefiting the workers are proposed in the 1971-72 report of the Union Department of Labour and Employment. Among those which are under study by the Government are: amendment of the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948, and the Employees Provident Fund and Family Pension Act, 1952; legislation to protect the workers in the film industry; a bill for the creation of a Welfare Fund for workers employed in Limestone and Dolomite mines; and revision of the Mines Act, 1952.

The Government is also considering a proposal to provide statutory backing to future wage boards in order to secure the implementation of their recommendations.

Accepting a recommendation made earlier by the Committee on the Welfare of Scheduled Castes and Scheduled Tribes, the Gauhati Oil Refinery—a public sector corporation—has agreed to draw up a suitable training plan for the in-service training of its Scheduled Castes/Tribes employees. The Committee had, in its Sixth Report (Fifth Lok Sabha), urged finalization of the proposed plan "without any further delay" in view of the meagre representation of these employees in the Class I and Class II services in the Refinery. The Committee had also pointed to the continued shortfall in the intake of Scheduled Castes and Scheduled Tribes employees of all categories in the undertaking.

More favourable rules governing the payment of housing loans to Government employees came into effect on July 15. Loans equivalent to the actual cost of the house/flat brought from the DDA or any other State housing boards would now be available to them. The advance payment is, however, limited to the total eligible advance of 60 months' pay of the employee or the actual cost, which ever is less. In the past, the advance was limited to 80 per cent of the cost of Rs. 50,000 whichever was less. As for the low-paid, the cost of a readybuilt house or flat should not exceed Rs. 30,000.

To provide housing accommodation to the retiring Government

servants, the Government of India has launched a scheme in cooperation with the Delhi Development Authority, the Housing and Urban Development Corporation, and the nationalized banks. Under the scheme, the Government servants will, however, be required to contribute a specified amount every month keeping in view the date of their retirements.

The Government of *Maharashtra* has, in modification of its earlier orders, directed that the building sites of the minimum required area as per building rules applicable to the areas in Greater Bombay, other Corporations and the urban areas, should also be granted or leased to the eligible Defence Personnel and the members of the Border Security Forces from Maharashtra on payment of concessional occupancy price or rent equal to 50 per cent of the market value or market rent, subject to the other usual conditions under the Maharashtra Land Revenue (Disposal of Government Lands) Rules, 1971. The cases of grant of lands from the Greater Bombay area and other Corporations areas to the eligible persons are to be submitted to Government for orders with definite proposals, including the valuation of the land from the Town Planning Department.

The General Committee of the National Foundation for Teachers Welfare has decided to raise the limit of income for grant of financial assistance to teachers in distress from Rs. 4,000 per annum to Rs. 6,000. It also agreed to assist States in renovating buildings acquired by them for teachers clubs and holiday homes. The annual meeting of the Committee was held in New Delhi on July 21 under the chairmanship of *Prof. S. Nurul Hasan*, Union Minister of Education, Culture and Social Welfare. The Committee resolved to give representation to all States on the General Committee of the Foundation and to appoint an executive committee to attend to immediate administrative matters. According to another decision, the seven-member State Working Committees have been permitted to increase the number of members to nine.

The Government of *Gujarat* will give cash rewards to such members of the Indian Armed Forces, Border Security Force, Central Reserve Police, and State Reserve Force as have: (1) distinguished themselves by conspicuous acts of bravery in the presence of the enemy, and (2) been decorated by the Government of India. The basis of the awards would be: Sena/Nav Sena/Vayu Sena Medals--Rs. 2,000; and Mention in Despatches—Rs. 1,000. Similar awards have also been announced by *Maharashtra* Government as follows: Param Vir Chakra, Rs 15,000 (plus Rs. 500 per year for 20 years); Maha Vir Chakra, Rs. 10,000; Vir Chakra, Rs 5,000; Sena Medal, Rs. 3,000; and those whose names have been specifically mentioned in the Military Despatches—Rs. 1,500.

To encourage the enrolment of Government servants and employees from Public and Private Sector Undertakings in the Territorial Army in the State, Government of *Kerala* has announced that each of these Government employees who have completed 5 years' minimum training in the Territorial Army will be awarded a honorarium equal to 12 times of the increment at the present stage of his time-scale with two advance increments in the time scale of his pay.

According to *Madhya Pradesh* Government's amended travelling allowances rules, a Government servant to get transfer and tour travelling allowance, including daily

allowance, and conveyance allowance will henceforth be forfeited or deemed to have been relinquished if he does not submit his claim within one year from the date on which it became due.

The Government of *Maharashtra* has, in modification of its earlier orders, directed that the building sites of the minimum required area as per building rules applicable to the areas in Greater Bombay, other Corporations and the urban areas, should also be granted or leased to the eligible Defence Personnel and the members of the Border Security Forces, from Maharashtra on payment of concessional occupancy price or rent equal to 50 per cent of the market value or market rent, subject to the other usual conditions under the Maharashtra Land Revenue (disposal of Government Lands) Rules, 1971.

* * *

A set of priorities for social security in India have been advocated by a Study Team after visiting the major departments of social welfare in the United Kingdom. Its preferential ratings run as follows: (1) Relief, in the form of income to all persons in a state of total distress, such as the aged poor, orphans, widows and handicapped, (2) an institutional framework, for those persons who have to be provided with a substitute for a family and provide them a home either temporarily or permanently, such as orphanages, destitute women's homes and day-care centres; (3) provision of supplementary nutritional services for all those who are not actually receiving adequate nutrition; (4) a complete health coverage for all persons from womb to tomb; and (5) a provision of free universal education up to the age of employment and adulthood.

An environment improvement scheme has been taken up in eleven cities having population over eight lakhs. The scheme, expected to cost about Rs. 20 crores, will provide electricity, water supply, latrines, storm water drains, paved streets, etc., in slum areas in these cities. The Planning Commission has been approached by the Ministry of Works and Housing to take up one city or major town in each State under the scheme.

The Ministry of Works & Housing has sanctioned Rs. 17.63 lakhs to Bombay and Hyderabad under the newly introduced Central scheme for environmental improvement, such as providing water supply including drinking water taps, sewers, storm water drains, community baths and latrines, widening and paving of existing lanes and street lighting in slum areas. This is towards the first instalment of 25 per cent of the total cost of both the projects under a Scheme which provides for 100 per cent financial assistance from the Centre to States to carry out improvements of the existing slums not earmarked for clearance for a minimum period of 10 years. The balance will be released in instalments depending upon the progress of the work.

Initially 11 cities, having population of over 8 lakhs have been selected. They are Calcutta, Greater Bombay, Delhi, Madras, Hyderabad, Ahmedabad, Bangalore, Kanpur, Poona, Nagpur and Lucknow.

The Government of India have formulated a scheme commencing from the 15th August, 1972, for the grant of pension in deserving cases to freedom fighters who suffered imprisonment in the mainland jails for a period of not less than six months before Independence, and also to the families of those freedom fighters who are no longer alive.

The Government of *Maharashtra* has sanctioned a scheme of "Area

Development of the Adivasis" in the State on September 1. The main object of the scheme is to create an infrastructure in the area which should ultimately help all-round development of the area. For this purpose, an area consisting of a population of about 5,000 to 7,000 will be selected for multi-educational activities to speed up their social and educational advancement.

Government of *Maharashtra* has reserved four out of every five vacancies in Government, quasi-Government and Cooperative services for persons belonging to weaker sections of the community. In order to prove that a candidate belongs to an eligible family, he is required to produce a certificate that the monthly assured income of any one single member of his family is not more than Rs. 200; or that the land owned by his family is less than a holding under the Tenancy Acts. Such certificates can be issued only by Revenue Officers not below the rank of Tehsildar.

To ensure the implementation of various schemes and programmes formulated for making an impact on the problems of unemployment in the State, the Government of *Rajasthan* has appointed a group consisting of officials and economists headed by the Chief Secretary.

* * *

A Committee of Ministers of Health has been constituted to study the factors responsible for the slow progress of family planning programme in certain areas and to suggest ways and means to give it necessary impetus. *Prof. D. P. Chattopadhyaya*, Union Minister of State for Health and Family Planning, will be the Chairman of the Committee.

The two-day Conference of State Ministers of Health, which met on July 25-26, has recommended setting up of a high-power Committee to go into the details of National Health Scheme for Rural Areas and suggest such modifications as may be necessary to ensure its smooth and efficient implementation. The Committee, to be headed by *Prof. D. P. Chattopadhyaya*, Minister of State for Health and Family Planning, Government of India, will have as its members Health Ministers of Bihar, Haryana, Himachal Pradesh, Maharashtra, Mysore, Nagaland, Rajasthan, Tamil Nadu, Uttar Pra-Pradesh and West Bengal.

The scheme envisages deployment of nearly 2,50,000 practitioners of indigenous systems of medicine and homoeopathy, registered as well as unregistered, after a training of four months. Each such practitioner will cater for a population of 2,000 spread over in three-to-four villages and will receive an honorarium of Rs. 150 per month.

Twentynine pilot projects are proposed to be taken up in 21 States during the current year.

Another high-powered Team, set up by the State Ministers, will examine the causes responsible for the slow progress of family planning programme in some of the States with a large proportion of the country's population. The team will also evolve measures aimed at giving the programme a fillip.

Under the scheme for extension of basic health and family planning services to disadvantaged areas, the Government of India has approved 36 Primary Health Centres (PHC) in the States of Gujarat, Maharashtra, Orissa, Punjab and West Bengal for the purpose of grant of special pay up to Rs. 150 per month to the doctors posted at the PHC and the rural family welfare planning centres. The State Governments have been directed to report the improvement

in basic health and family planning services owing to this incentive to Doctors.

In order to extend the benefits of social security to a much larger percentage of the country's population, the Union Government has set up a Special Committee to prepare perspective plan for extension of the Employees' State Insurance Scheme.

Paying Clinics in all District and Tehsil-level hospitals in *Haryana* will go into action soon working throughout the week having morning and evening sittings before or after the normal hospital hours. The doctors will be given an option either to work in these Clinics and share the income in a fixed ratio or draw non-practising allowance. Facilities for Tubectomy and Vasectomy operation will be available at these clinics and hospitals.

The Government of *Gujarat* has recognized Naturopathy as an approved system of treatment and cure under its Health Programme. An honorary adviser will counsel Government on matters pertaining to Naturopathy.

The Government of *Mysore* has set up a seven-member Committee under the chairmanship of *Dr. G. S. Melkote*, M.P., to recommend measures for improving standards in Indian system of medicine and homoeopathy and naturopathy.

* * *

The 28-member Steering Group on Natural Resources, headed by *Shri M. S. Pathak*, Member, Planning Commission, has made projections basing on the studies made by ten task forces on natural resources, reports of the remaining two task forces are being processed.

According to the projections over 5,000 scientists and technologists can be found employment in a comprehensive survey of natural resources in the country during the Fifth Five Year Plan. The employment potential can be expanded further to cover 16,000 scientific and technical personnel when the entire programme, including surveys, is taken up. A number of unskilled and non-technical personnel would be required to support these categories.

The Government of *Assam* has appointed a "State Planning Board with the Chief Minister as the chairman. The functions of the Board are: (*i*) To make an assessment of materials, capital and human resources of the State and also to explore the possibilities of augmenting and improving the resources; (*ii*) To formulate long-term perspective plan for the most effective and balanced utilization of State's resources; (*iii*) To advise on the preparation of the Five Year Plans, Annual Plans; (*iv*) To ascertain the factors which have been tending to retard economic development of the State and to determine the conditions to be created for the successful execution of the Plans; (*v*) To identify the areas of coordination between the various Departments and the Panchayats, Mahkuma Parishads, and to advise as to how best to achieve such coordination; and (*vi*) To watch progress, evaluate the achievements and make periodical appraisal of the Plan Programmes and important projects in the Plan.

The Government of *Bihar* has set up a Planning Board to advise the Government on perspective planning and maximum utilization of human and material resources for rapid achievement of plan objectives. It will also make critical and qualitative appraisal of previous plans and arrange for long-term evaluation of the plans and programmes.

The Government of *Maharashtra* had recently appraised the priorities

and policy of the Five Year Plan with a view to bringing about the speedy economic development of the Weaker Sections of the Society. It has been decided to undertake a specific programme to eradicate unemployment and semi-unemployment in the rural area. Under the programme, the Government has guaranteed employment to every one in the rural area who desires to do manual work.

The Employment Guarantee Scheme is not an alternative scheme for the works which would be carried under the programme of specific employment sanctioned by the Government of India under the State Five Year Plan and also will not affect day-to-day agricultural operations and other works in villages. The scheme is limited to rural area only and would include manual jobs only.

The Panchayat Samiti area in each District will be the area of operations for the Employment Guarantee Scheme and the territorial limits of each village will be the area of operations for the local employment scheme. The District Collector will be in overall charge of the implementation of the Employment Guarantee Scheme on a State-wide basis though the actual responsibility for the implementation of the Scheme would vest with the officers of the Zila Parishads under the direction of Coordination Committees at different levels. The implementation of the local employment schemes will be the responsibility of each Village Panchayat.

In an effort to help the *West Bengal* State Planning Board in formulation of Plans, the District Planning Committees to be set up in each district will collect, process, and maintain the necessary information relevant to district planning. They will also work to conduct surveys, if necessary, with these ends in view.

Amongst the other responsibilities of the Committees will be: (1) To determine district development strategy and fix up development priorities in consonance with such standards and guidance as fixed by the State Planning Board on the one hand and the felt needs of the district on the other; (2) To suggest and prepere an outline of the development plan of the district for short and long runs and at different levels of Blocks, Anchals and urban areas within the district; (3) To suggest, plan and enforce landuse control; (4) To supervise and coordinate all development work in the district; (5) To evaluate the plan performance at the district level; and (6) To refer, where necessary, to the State Planning Board matters where appropriate expertise is not locally available.

* * *

The 10-member Committee on Automation headed by *Prof. V. M. Dandekar*, in its report submitted to Union Government on June 2, recommended that the use of computers by commercial and industrial establishments should be subject to a prior agreement with the workers and that, as far as possible the needs of computer use should be met from computer centre facilities. Recommending provision of adequate computer service facilities in appropriately located Computer Service Centres, the Committee has observed that the computer facility should, as far as possible be created in the public sector as it is in the nature of a public utility facility.

The Committee has emphasized the need for appropriate regulation of the use of computers in the present state of socio-economic development in the country and safeguards to prevent its adverse effects. The use of computers by educational, research and scientific institutions (non-profit making), statistical organizations of

the Central and State Governments and defence establishments should be permitted, subject to reasonable provisions to protect the existing employment and ensuring proper working conditions.

According to the Committee 'automation' refers to a particular kind of development combining a number of well-established engineering principles and certain recently developed theories of communications.

In August, 1971, there were 140 computers in India, out of which 55 were in the private sector, 39 in public sector undertakings, 10 in Government departments and 36 in centres of research and development. Majority of the computers are in use in a few major centres of industry, like Bombay (35), Delhi (20), Calcutta (14), Bangalore (11), and Madras (7). Statewise, the largest number of computers (39) was in Maharashtra, followed by Delhi (20) and West Bengal (18).

The Committee was set up by the Central Government in July, 1969 to review, among other things, the effects of automation in enterprises in which it has already been introduced, to recommend criteria for the determination of areas in which automation may be permitted or restricted, and to recommend safeguards for avoiding or minimising any harmful social effects of the introduction of automation.

The Committee on Public Undertakings (1971-72 of the Fifth Lok Sabha) has in its Ninth Report, raised its voice against having too many Seminars/Conferences which might lead to fruitless debates of theoretical aspects of production problems. The Committee has urged that concrete results should arise out of a system of "Workshop Discussion" at the level of the undertakings as well as the group of industries.

It is also the review of the Committee that training in multi-trades and job combination would be helpful in the development of multi-trade workmen in public sector enterprises and checking of overstaffing.

Stating that the reasons advanced for not introducing decentralization in the Bureau of Public Enterprises are not convincing, the Committee has emphasized that the Bureau should avoid duplication of its work and give greater attention to its function as "a guide on technical matters and help the undertakings to solve their problems with which they are confronted". It laments that the Bureau has not been able to generate conditions for the growth of suitable managerial cadre to run the public undertakings.

The Committee also wanted a separate chapter added to the "Annual Report on the Working of Industrial and Commercial Undertakings of the Central Government" for bringing out the concrete contribution in terms of more economy and efficiency, made by the Bureau.

Not satisfied with the effectiveness of the Government's steps to tackle the problem of under utilization of capacities in public sector undertakings, the Committee has reiterated its earlier recommendation that a high level Expert Committee be appointed to go into the problem.

The results of the research work done by the Council of Scientific and Industrial Research have come in for criticism by the Public Accounts Committee (1971-72) of the Fifth Lok Sabha in its 13th Report. The Committee has concluded that the outcome is not commensurate with the expenditure on the organisation.

Other points listed in the report include: (i) the Government should investigate the reason for preference

of public and private sector industries for foreign collaboration and take necessary steps so that indigenous processes may commend themselves to these industries in future; and (2) In some cases parallel facilities for research are created in individual industries. As there is admitted lack of coordination, it is up to the Government in the various ministries to ensure proper utilization of the facilities created under the CSIR avoiding duplication of research activities.

Union Department of Science & Technology has set up a Committee to define the role to be consistent with the overall national policy framework—of research and development in private industry towards attaining maximum self-reliance in the field by the country. *Dr. Y. Nayudamma*, Secretary to the Government of India and Director General, Scientific and Industrial Research is the Chairman of the Committee.

The Committee, headed by *Shri K.D. Malaviya*, has said in its report to the Government that the Oil and Natural Gas Commission (ONGC) should be turned into a holding company, overseeing several subsidiaries with varying percentages of foreign participation. It would like the ONGC to make India self-sufficient in oil by suitably combining exploration at home with exploration abroad. Also proposed is a yearly generous grant by the Government to the ONGC until the organization becomes financially self-supporting.

The Committee has not favoured the merger of Indian Oil Corporation (IOC) with ONGC on the ground that the profits from IOC will not be adequate to finance oil exploration.

In addition to owning all the shares in public sector corporations dealing with industries, like coking coal, iron ore, manganese ore, etc., the proposed Holding Company for Steel and associated input industries will also own all Government shares in the relevant joint sector companies. Besides, the Company will act as the nominee of public sector financial institutions which possess shares in private sector units in the sphere of iron and steel and associated inputs, refractory units and small steel producing organizations. The present thinking is that the following Public Sector Organizations under the Ministry of Steel & Mines will be brought within the ambit of the Holding Company: (*a*) Department of Steel—(*i*) Hindustan Steel Limited, (*ii*) Bokaro Steel Limited, (*iii*) Central Engineering and Design Bureau, (*iv*) The companies to be formed for the new Steel Plants from the time they are set up; and, (*b*) Department of Mines—(*i*) Bharat Coking Coal Limited, (*ii*) National Mineral Development Corporation, (*iii*)) Manganese Ores (India) Ltd., and (*iv*) Bolani Ores (India) .

The Holding Company will also be responsible for the working of the steel plants in the private sector, in which the public financial institutions have a substantial share. The intention is to ensure rapid growth of the industrial sector of the economy with the State as the leading agent of the growth process and to enable Government to direct investment into areas which are strategic from the point of view of future development.

The company will formulate long-term programmes of development, arrange for effective channelling of surpluses into further expansion of the industries, finance necessary technological changes and innovation and coordinate and supervise the operations of the various companies under it. It would thus achieve economies of vertical integration and ensure coordinated growth at least cost.

The Company is expected to be designed in such a way that it does not merely function as another link in the chain of decision-making, but is enabled to carry out its duties and functions in the most efficient manner with only the minimum amount of regulation and guidance from the Government. This is sought to be achieved by making the Chairman of the Holding Company also the Secretary to Government insofar as items of work dealt with by the Holding Company are concerned.

The National Tourism Board has been set up as a standing body to deal with specific programmes and plans of tourism development in the country touching all aspects of tourism industry. The Board with Union Minister for Tourism and Civil Aviation as Chairman, and Minister of State for Tourism and Civil Aviation, as Vice-Chairman, will have eight official members and five non-official members.

The Board, meeting once in a quarter and serviced by Central Department of Tourism and Indian Tourism Development Corporation, will have the task of preparing an overall national plan for tourism covering both the public and private sectors. The plan will take into consideration the physical targets of tourist development, the infrastructure to be built by various agencies and promotion of tourism abroad.

Following a recommendation made by the Standing Committee of the Transport Development Council, a panel is being set up to suggest ways and means to rapidly implement schemes for nationalization of road transport and suggest amendments required in the existing relevant law.

The Implementing and Coordinating Committee (Chairman: *Shri M.G. Pimputkar*, Secretary, Ministry of Transport and Shipping) has in its first meeting recommended that the Central Government should give cent per cent loan to the States for developing selected commercially viable inland water transport shemes. The Government should also give outright grant up to 50 per cent for certain States' schemes which might be of national importance. The Committee was set up on the recommendation of the *Bhagavati* Committee on Inland Water Transport to ensure speedy progress of the Bhagavati Committee's recommendations.

A 12-man Committee has been set up for a comprehensive review of existing laws on boilers and unfired pressure vessels and to make recommendations for their improvement. *Shri K. B. Rao*, Director General of Technical Development, Ministry of Industrial Development, is the Chairman of the Committee.

The Ministry of Communications has a set up a Committee (Chairman: *Shri M. S. Pathak*, Member, Planning Commission), to help the Government lay down a definite long term objective in the matter of telecommunications equipment and work towards its achievement in successive plans.

The Committee will go into all aspects of manufacture of telecommunications equipment in the country and prepare a perspective plan for stepping up indigenous capacity for manufacture of telecommunications equipment of all types. It will also study and forecast the scope for export of the telecommunications equipment and allied store in the next two decades. Another 6-member study team (headed by *Prof. M.G.K. Menon*, Chairman, Electronics Commission), set up by the Ministry will undertake a comprehensive review of the present position prevailing in the various research and development organizations under it and to recommend steps for widening the

scope of research and for ensuring that they keep pace with the latest developments in technology.

The Government of India has decided to set up a 'Steel Bank' which will make available, from its ready stocks, the requirements of projects, both in the private and the public sectors, in respect of imported steel against valid licences held by them.

The Union Government has appointed a Committee to find out the causes of frequent breakdowns of power supply in the Calcutta area and suggest measures for preventing the breakdowns and improving power supply in the area. The Committee is to submit its report within two months. It is headed by the Vice-Chairman of the Central Water and Power Commission, *Shri A.K. Ghose*.

The Government of India has appointed a Committee of Ministers (headed by *Shri Narain Dutt Tewari*, Minister for Power and Finance, Uttar Pradesh) to examine the adequacy of indigenous manufacturing capacity for the supply of power generating equipment that may be needed for achieving the target of installed capacity proposed for the Fifth Plan period.

The Ministry of Railways has initiated action on a programme of large-scale expansion of Railways to meet the challenge of growing goods and passenger traffic during the next six or seven years. Three Working Groups—one each for freight traffic, passenger traffic and formulation programme—have been set up.

A special cell has been created in the Railway Board for the preparation of a long-term corporate plan. The cell will endeavour to ensure that technological developments in related fields, which can have an effect on the working of railways and requirements of future traffic, are duly taken into account while formulating future programmes of expansion.

The decision to transfer the administrative control of the Metal Scrap Trade Corporation from the Ministry of Foreign Trade to the Ministry of Steel and Mines (Department of Steel) has also given an opportunity to the Government to enlarge and diversify the Corporation's activities. In its new set-up, the main role of the Corporation will be to maximize collection of scrap. The collection is usually made by small parties who dispose of their collections to the larger trader when there is a demand. The Corporations will, however, provide an assured off-take to these collectors. Another activity the Corporation will devote itself to is: setting up scrap processing machinery at appropriate places in the country and standardization of equipment for this industry. The paid-up capital of the Corporation will be raised to enable it to take up the new activities.

Six Evaluation Teams comprising senior officials of the Ministry of Foreign Trade have been set up to assess the performance of the public sector Corporations and Commodity Boards in the Ministry and suggest action points for improvement. The names of these bodies are: (*i*) the State Trading Corporation, (*ii*) the Minerals and Metals Trading Corporation, (*iii*) The National Textile Corporation, (*iv*) the Cotton Corporation of India, (*v*) the Tea Board, and (*vi*) the Coffee Board.

A Working Group comprising representatives of concerned Central Government Departments, public sector undertakings, etc., has been set up by the Ministry of Works and Housing with a term of office of two years. The Group will report every six months on introduction of Modular Coordination in building

industry. The Group has been constituted at the recommendation of the expert committee which was appointed to study methods for achieving low-cost, large-scale housing construction in major cities. The recommendations was that a national modular group should be formed to introduce modular coordination in building industry.

The Government of *Maharashtra* has accepted partly or wholly 34 out of the total of 42 recommendations made by the Evaluation Committee in respect of the working of the Factories Act, 1948.

The Committee is headed by *Dr. P. V. Thacker* (Chairman, Council of Industrial Safety, Bombay and Chief Industrial Health Officer, Tata Services Ltd.).

A high-powered panel, headed by the Chief Minister of *Rajasthan*, will consider and take decisons on the problems faced by the existing industrial units. The Committee will also deal with the delays that some times occur in processing of proposals put forth by prospective enterpreneurs desirous of setting up industries in the State.

The main task of a Committee, set up by the Government of *Uttar Pradesh*, will be to find solutions for the technical problems of the State Electricity Board. Headed by *Shri Ghanaanand Pandey*, lately Vice-Chancellor of Roorkee University, and with representatives of Central Water and Power Commission and other eminent engineers as members.

* * *

The President of India, on June 28, constituted a Finance Commission (sixth) under the chairmanship of *Shri K. Brahmananda Reddi*, former Chief Minister of Andhra Pradesh, who will have the rank of a Cabinet Minister. Other Members of the Commission are: *Shri Justice Syed Sadat Abul Masud*, Judge, Calcutta High Court; *Dr. B.S. Minhas*, Member, Planning Commission (part-time); *Dr. I.S. Gulati*, Senior Fellow, Centre for Development Studies, Trivandrum (Part-time); and *Shri G. Ramachandran*, Joint Secretary, Government of India (Member-Secretary).

A member of the Planning Commission is associated with the Finance Commission as part-time Member for the first time in order to ensure coordination between the two bodies. The Commission is charged with the duty of making recommendations to the President as to: (*a*) distribution between the Union and States and the State *inter se* of the net proceeds of Central taxes, like taxes on income other than corporation tax, and union excise duties; (*b*) the principles which should govern the grants-in-aids of the revenues of the States out of the Consolidated Fund of India.

The Commission will also determine the amount payable as grants-in-aid to the States in need of assistance under Article 275 of the Constitution. It will take Cognizance of the present arrangment wherein Plan grants are made on the recommendations of the Planning Commission.

Two issues referred to the Commission for the first time are: (*a*) the assessment of the non-Plan capital gap of the States on a uniform and comparable basis for the five years ending with 1978-79. In the light of such an assessment, the Commission may undertake a general review of the States' debt position with particular reference to the Central loans advanced to them and likely to be outstanding as at the end of 1973-74 and suggest changes in the existing terms of repayment having regard *inter alia* to the overall non-Plan gap of the States, their relative position

and the purpose for which the loans have been utilized and the requirements of the Centre; and (*b*) review of the policy and arrangements in regard to the financing of relief expenditure, Commission may examine *inter alia* the feasibility of establishing a National Fund to which the Central and State Governments may contribute a percentage of their revenue receipts.

In making recommendations, the Commission shall have regard to the resources of the Central Government and the demands thereon on account of expenditure on civil administration, defence and border security, debt servicing and other committed expenditure or liabilities.

The award of the Sixth Finance Commission would cover the period of the Fifth Plan which is to commence from April 1, 1974. The Commission has been asked to submit its report by October 31, 1973, so that its report is available well in time for finalising the financial projections in the Fifth Plan and Budget for 1974-75.

The Central Board of Direct Taxes has introduced a new scheme to encourage taxpayers in the small income group, who had shied away from the Income tax Department on account of ignorance of law or otherwise, to come forward and pay their taxes for the past years without incurring liability towards penalties under the Income-tax Act. An order has been issued directing Income-tax Officers not to initiate penalty proceedings for late submission of return of income or non-payment of advance tax in the case of new taxpayers having taxable income up to Rs. 15,000.

Income-tax Officers will be visiting specially selected areas to assist such taxpayers to fill in the return of income. As far as possible, they will complete the assessment on the spot. During the operation of the scheme, special cells will be functioning in the Income-tax offices all over the country to help the taxpayers to get their difficulties resolved. The scheme will remain in operation up to December 31, 1972.

A Parliamentary Committee known as the Railway Convention Committee has been appointed through a Resolution passed by both Houses of Parliament. The Committee will review the rate of dividend at present payable by the Railway Undertaking to General Revenues as well as other ancillary matters in connection with the Railway Finance *vis-a-vis* the General Finance.

A panel, currently examining the patterns of expenditure in the Raj Bhavans in the country, is to recommend measures for rationalization of the existing pattern keeping in view the need for maintaining reasonable standards and, at the same time, curtailing expenditure not strictly necessary.

The coverage of the Central Subsidy Scheme for promotion of industries in the backward areas has been extended. It has now been agreed to increase the number of districts areas from 2 to 6 in the case of States identified as industrially backward and from 1 to 3 in the case of other States. Under the Scheme, an outright subsidy of 10 per cent of the fixed capital investment is given to industrial units being set up in these areas

The capital subsidy scheme was introduced by the Central Government in 1970-71 to attract private capital to backward areas and for off-setting the locational disadvantages suffered by backward areas. So far 44 district areas have already been selected to qualify for the Central scheme. It is expected that the extension of the scheme will

provide wider choice to entrepreneurs for setting up industries in backward areas so as to give a further fillip to the scheme.

The Government of India has sanctioned special loans—non-plan and repayable in 15 annual equal instalments—amounting to Rs. 4 crores to 17 States for investigation of irrigation, flood control and power projects during the current financial year.

An Income Tax Adviser has been appointed to advise the *Haryana* Government on matters relating to tax planning and to assist public sector Corporate bodies/institutions in procedural and legal matters. He will also impart training and guidance to the officers/staff of Haryana Government.

The Government of *Maharashtra* has decided to give grants-in-aid to municipal councils to prepare their development plans. On the basis of population in a municipal council area, Government's share as grant-in-aid will be 33⅓ per cent of the average cost of plan of Rs. 20,000 and Rs. 15,000 in respect of 'A' and 'B' class councils and 50 per cent of Rs. 12,000, Rs. 10,000 and Rs. 7,000 in respect of 'B' and 'C' class council.

The Government of *Uttar Pradesh* is to have a separate Directorate of Institutional Finances in order to secure maximum economic contribution from various financial institutions. Functioning under he Finance Department of the government, it will actively associate itself with the schemes to be formulated by various departments, corporations and boards in the State and financed by commercial banks and other financial institutions. It will also remove difficulties in the sanctioning and execution of these schemes.

• • •

Amongst the important resolutions adopted by the State Irrigation and Power Ministers Conference on July 1, were: (*a*) Appointment of a six-member Committee to look into the reasons for under-utilization of major and medium irrigation projects in some areas and regions, and to suggest remedies; (*b*) Initiation of detailed studies and formulation of schemes by the State Governments for implementation of an additional irrigation potential of 6.5 million hectares during the Fifth Five Year Plan period; (*c*) Establishment of a project implementation cell at the Centre as well as in each State for monitoring the progress of delivery of equipment, removing the bottlenecks and ensuring remedial action; and (*d*) Setting up of another Committee to go into the question of sufficiency of generating equipment.

The Committee of Members of Parliament of Rural Electrification in its final report, has recommended that outlays in the State Plans for rural electrification should be specifically earmarked as was done in the Third Plan. More weightage has to be given to backward States, says the Committee, and for this purpose the agricultural context of the schemes sanctioned by the Rural Electrical Corporation (REC) should be widened to include agro-industries, horticulture, animal husbandry and allied activities.

According to the Committee, a contributory factor for the slow progress of rural electrification in backward States is lack of proper finance planning and indenting of scarce raw materials like steel, aluminium and cement. It would, therefore, like the REC to set up a special wing to look after this work.

The Committee had urged a special scheme with central assistance for electrifying Harijan bastis adjacent to electrified villages.

The Ministers' Committee on Floods and Flood Relief has urged setting up of flood forecasting systems in all river basins prone to floods and progressive modernization of existing flood forecasting centres to minimize the present heavy loss of life and suffering from floods.

Recommending a review of the existing pattern of financing of flood control schemes, the Committee has suggested that half the expenditure on such schemes should be given to States as grants and the balance as loans; State Governments should also examine the possibility of augmenting resources by the levy of an annual cess on the beneficiaries. Prevention by law of encroachment on rivers and natural drainage channels has also been suggested by the Committee.

Comparing Ministers-in-charge of flood control in eight flood-prone States and the Adviser to the Governor of West Bengal, the Committee was appointed in October 1970, in pursuance of a recommendation made by the Fifth Conference of State Ministers of Irrigation and Power which reviewed the heavy losses of life and property caused by the serious floods between 1968 and 1970.

A Technical Committee is to finalize the details of a comprehensive and coordinated scheme for the effective control of floods in the lower reaches of the Subernarekha and giving relief to affected areas in Orissa and West Bengal. It will consist of Member (Floods), Central Water and Power Commission (Convener); and the Chief Engineers, (Irrigation), of Bihar, Orissa and West Bengal (Members).

The Irrigation Commission, in its report submitted to Government on April 5, has recommended setting up of a high level National Water Resources Council to take policy decisions on the conservation, utilization and interbasin transfer of water. According to the report, the Council should be headed by the Prime Minister with the Union Minister for Irrigation and Power as Vice-Chairman. Union Ministers for Finance, Agriculture, Community Development, Planning, Health, Industry, and Tourism should be the members of the Council and major States should be represented either by the Chief Ministers or by the Irrigation Ministers. The smaller States and the Union Territories, however, would have group representation by rotation. Two eminent irrigation engineers and the Chairman of the Central Water and Power Commission should also be its members.

The Commission has also suggested creation of river basin commissions under the control of the Council. Setting up of a Directorate of Hydrology, stress on coordinated research and planning are some of the other important recommendations Regarding fixation of water rates Commission has observed that these should be related to the benefit irrigation confers on the farmer rather than to the cost of an irrigation project.

The Ministry of Irrigation and Power has appointed a 28-Member Working Group, headed by *Shri B. B. Patel*, Secretary, Ministry of Irrigation and Power, for formulating proposals for power development programme for the Fifth Plan period.

Five Study Groups have been formed for assisting the Working Group. They will carry out studies in depth on: (*i*) load demand; (*ii*) planning power generation; (*iii*) system planning; (*iv*) rural electrification; and (*v*) management in regard to equipment, materials, and personnel.

The programmes of the ground water development, providing alternate source of irrigation to farmers especially in the drought-prone areas and supplementary irrigation in areas with assured irrigation or rainfall for multiple cropping—are expected to receive a new impetus with the establishment of the "Central Ground Water Organization". This unified body, at the national level, came into being on August 1 with the merger of Ground Water Wing of the Geological Survey of India, with the Central Ground Water Board in the Union Ministry of Agriculture.

In *Tamil Nadu*, a four-member high-level technical Committee is to prepare detailed proposals for establishing a "Water Institute" in Madras. Apart from preparing a master plan about the potentialities of ground water and surface water and their proper utilization for maximum benefit, the proposed Institute would promote research and development programmes connected with water resources development and utilization in the region. It will ultimately be upgraded with U.N. assistance into an international centre offering consultancy service to the South-East Asian countries.

The Union Government has created a wheat and wheat products development council to study, on a priority basis, current levels of the consumption of wheat and wheat products in the country, and formulate measures to increase them. It will also advise the government and educate people on the better nutritional values of wheat and wheat products and suggest a specific course for the country's school feeding programmes. This 15-member council both officials and non-officials—will be an ancillary organization of the Union Department of Food.

The Government of *Kerala* has amended the Arable Forest Land Assignment Rules, 1970, so as to provide for the reservation of one/tenth of the available assignable land to disabled defence personnel and dependents of defence personnel who have been killed in action and one/twentieth for assignment to ex-servicemen.

A three-member Committee of officials has been appointed to examine the feasibility of raising agricultural crops in the sandy stretches in Shertalai taluk of Alleppey district of *Kerala*. The Committee consists of the Executive Engineer (Irrigation), Joint Director of Agriculture and the Agricultural Officer of the Land Mortgage Bank, Alleppey.

The Government of *Punjab* has instructed the Deputy Commissioners of the State's 11 districts to carry out a survey of the number of landless persons who have neither agricultural land nor residential plots. The survey is to be completed within six weeks.

To examine allegations regarding unauthorized occupation, irregular auctions and allotments, illegal scales and transfers of agricultural lands in the command areas of Rajasthan Canal, Gang Canal, and Bhakra Canal in district Ganganagar, the *Rajasthan* Government has constituted a panel headed by *Shri Shobha Ram*, MLA (former Finance Minister) and recommended modifications and improvements in the existing rules and procedures.

As many as 117 primary recommendations are contained in the report of the Evaluation Committee on Applied Nutrition Programme, appointed by the Government of *Maharashtra* in December, 1970. Apart from evaluating the programme for identifying its performance with relation to its weaknesses and imperfections, the Committee also

attempted to find out ways and means to gear up the programme by reorienting it on the basis of the programme achievments in respect of its manifold components, *viz.*, nutrition education, horticulture, poultry, pisciculture, etc.

* * *

The Government of India has initiated a scheme to award prizes to the gram panchayats on the occasion of the 25th anniversary of the Independence on August 15, 1972. The prize scheme includes a first and second prize of Rs. 5,000 and Rs. 3,000 respectively at the National level first, second and third prizes of Rs. 1,000, Rs. 300, respectively at the State level and first and second prizes of Rs. 1,000 and Rs. 500, respectively at the Union Territory level. In addition, merit certificates will be awarded.

The criteria for selection of the gram panchayats for the award of prizes in the competition include freedom from factions, holding of regular elections, raising of resources to the maximum extent possible under the powers vested and taxes raised during the period from April 1, 1971 to March 31, 1972.

The Government of *Gujarat* has appointed a high-level Committee for re-organizing the Panchayati Raj administration in the State. *Shri Zinabhai Darji* is the Chairman of the Committee.

In *Haryana*, a State Advisory Committee for the Local Government Department will advise the Minister-in-charge on general policy matters and specific programme with regard to general efficient working and affairs of various Local Bodies in the State. It will also provide a forum for ventilating public grievances relating to the Local Government Department.

* * *

The 9-Members Study Group on wayside amenities has suggested establishment of a special fund called the "Central Wayside Fund", on the lines of the Central Road Fund, to be administered by the Central Government for promotion of wayside amenities. The group was set up by the Ministry of Shipping and Transport under the chairmanship of *Shri S. N. Sinha*, Director-General, Roads Development.

At the end of 1969, India had an estimated motorable road length of 9,64,515 kms. of which 3,25,837 kms. are surfaced. The number of motor vehicles of the country has been increasing steadily at the rate of 10-12 per cent yearly which is likely to reach 14 per cent per year in the near future. There is a provision of Rs. 10 lakhs in the Central Sector of the Fourth Five Year Plan for loans assistance to the State Governments for providing wayside amenities. The recommendations of the group cover laying down rules governing setting up of fuel stations on highways; provision of services at the service stations; constructing rest houses, parks, etc; restricting expansion of unhygienic tea stalls and dhabas; making arrangements for mobile traffic police patrolling on the highways to check untoward happenings, etc.

A Central Coordination Committee has been constituted under the chairmanship of *Dr. Karan Singh*, Minister for Tourism and Civil Aviation, for development of archaeological monuments of tourist interest in the country. The Committee will select archaeological monuments and sites of tourist interest and prepare master plan for safeguarding their environmental and natural setting. The Committee will indicate priorities for the remaining plan period and draw up a joint

programme of the two ministries for development of the selected monuments for the next plan.

A Committee to go into the disposal of urban waste and night soil and their utilization as manure has been constituted by the Ministry of Health and Family Planning. It will be headed by *Shri B. Sivaraman*, Vice-Chairman, National Commission on Agriculture.

The Weights and Measures (Law Revision) Committee (Chairman *Shri S.K. Maitra*, Joint Secretary, Ministry of Law and Justice) has included in its report a Model Bill to provide for strict punishment for the infringement of laws relating to weights and measures. The Committee is of the opinion that it is essential to have a comprehensive legislation covering all the aspects, namely, the system of numeration, the regulation and control of inter-State trade in relation to the weights and measures and commodities sold by weight, measure of number, weighing and measuring instruments, training of personnel, export and import of weights and measures, penalties for offences, etc. In keeping with the revision of the Central Laws, says the Committee, it was also necessary to revise the State Laws.

Highlighting the magnitude of the problem, the committee observed that even if error in the commercial transactions, caused by inaccurate weights and or weighing or measuring practice, is placed at one per cent, it would cause the Indian consumer an annual loss of Rs. 160 crores.

Regarding periodical verifications of the accuracy of water-meters, taxi-meters, electric meters and other measuring instruments, the Committee has suggested setting up of an effective enforcement machinery.

The report also lists some new concepts in the Central Bill. These relate to: (1) regulation of the inter-State trade and commerce in weights and measures, weighing and measuring instruments of packaged goods and of goods that are sold by weight, measure or number; (2) packaging of commodities and the indication on the package of the net weight, measure or number of the commodity contained therein and the unit price thereof; (3) approval of models of weights and measures before their manufacture on a large scale; (4) survey of the extent to which the standards of weights and measures established by or under the Central Law are being implemented and collection of statistics; and (5) establishment of the Indian Institute of Legal Metrology to provide training to the weights and measures officials and also to personnel from industry in the various aspects of metrology.

Lest the manufacturers of packages commodities deceive the consumers by mentioning false weight, the Committee has recommended that powers should be given to inspectors to open a package for verifying whether the net contents of the packages have been correctly stated or not.

A six-member Working Group, under the chairmanship of *Mr. P.C. Mathew*, Secretary, Ministry of Works and Housing will prepare guidelines for a national policy on housing and urban development. It will indicate, *inter alia*, certain percentages of plan expenditure that should be earmarked in the national plans and the annual budgets of the Central and State Governments to achieve the desired objectives.

BOOK REVIEWS

***PRINCIPLES OF ADMINISTRATIVE LAW*; BY M.P. JAIN and S.N. JAIN, Bombay, N.M. Tripathy, 1971, p. 539. Rs. 30.**

Dr. M.P. Jain and Dr. S.N. Jain have authored an excellent textbook on '*Principles of Administrative Law*' which would be useful to the discriminating teachers of law and public administration as well as to the bench and the bar. As a textbook, it has the advantage of being reasonably brief and remarkably lucid. At the same time, it contains insightful analysis, stimulating discussion and a broad and reliable conspectus of case law.

The authors have tried to cover in this book the manifold ramifications of the shifting frontiers of administrative law, dealing with established conclusions as well as with embryonic concepts, fledgling tendencies and future projections with scholarly care and finesse. The discussion of the case law shows a welcome awareness of the complexities and the inconsistencies as well as that of the underlying logic and coherence of the administrative process. The authors recognize, and rightly, that in India, Administrative Law is primarily a judge-made law and it is still in a developing stage. It does not consist of clearcut principles and neat formulae. As the authors put it: "In a judge-made law, often every case may be the law unto itself. Until a series of cases occur on a particular problem establishing a number of dots to draw a line, it may not be safe to indulge in a generalization concerning the law. Nevertheless, in such a situation, it may become inevitable to explain the existence of a dot by mentioning the factual setting in which it has occurred and the process through which it has been reached." The main value of the book lies in its engaging narrative of the growth of the principles of administrative law in India and in the efforts of the authors to plot the "dots", to draw the lines connecting the dots where they can legitimately be drawn, and to offer their own critique and constructive suggestions. The authors' conclusions and general observations at the end of some of the chapters are particularly noteworthy.

Perhaps, the authors would do well to expand this volume for the use of the legal profession by including comparative materials and a more extensive treatment of case law. The volume has the potential of becoming a standard work and a sophisticated professional reference tool in the field of administrative law.

The book was published in 1971. Already, it needs revision and restatement on several important issues because the "Law of the Land" in the foundry of the Supreme Court is often enough recast and refashioned, which is, more often than not, a measure of judicial resourcefulness and resilience, and occasionally a consequence of tangential angularity. On the whole, our judge-made administrative law examplifies a profound awareness of the mainsprings of rule of law and natural justice and an enlightened concern for individual liberty and the basic postulates of

representative government. To the extent that it also shows an excessive distrust of administrative authority, occasionally leading judicial review to untrodden and unaccustomed paths, and sometimes straining the comity between the administration and the judiciary, the jurist and the administrator must reflect on pragmatic institutional and operational remedies. Equally, we must turn our attention to the inherent limitations of judicial review and its inbuilt inhibitions and substantive inadequacies.

—L.M. SINGHVI

GOVERNMENT THROUGH CONSULTATION; By S. R. MAHESHWARI, New Delhi, The Indian Institute of Public Administration, 1972, p. 380, Rs. 25.

In selecting the role of advisory committees in the Indian Government as the theme of his doctoral dissertation, Dr. Maheshwari had happily chosen one on which very little had been written. The book thus has just a touch of pioneering quality about it. It also reveals the author's painstaking ability in collecting data, a quality seen in the author's earlier works. Dr. Maheshwari describes in considerable detail the development of advisory committees, their structure and composition. The second part of the book is devoted to special studies dealing with consultative committees which include *inter alia* those concerned with territorial matters and the zonal councils. In the final part of the book, an evaluation of the role of committees is taken up, their limitations and weaknesses are mentioned.

The different aspects of government through committee would be known to all informed students of administration through the well-known work of K.C. Wheare and the specialized studies included in the edited volume by R.V. Vernon and N. Mansergh. In some ways, Dr. Maheshwari's book supplements these and it will interest those concerned with Indian administration, in one way or another. Committees in modern governments have their uses as well as their abuses and they continue to grow by some inscrutable law unknown to even the famous Northcote Parkinson. For some reason, committees are sometimes axed off by ministers with a consuming passion for reform but they reappear again in a different guise. Committees may be formed for all kinds of purposes under the Indian sky as anywhere else. There in some truth in the carricature made by G.K. Chesterton.

"Lord Lilac thought it rather rotten
That Shakespeare should be quite forgotten,
And therefore got on a committee
With several chaps out of the city."

The author of this treatise hints at some of the strange ways in which government by committee works and the not inconsiderable time spent by officials on committees. But he does not fully explore the possibilities of analysis from this point of view. The reader is treated to a mass of information which is not always illuminating. The treatment is, on the whole, at an descriptive level although the author does tell us about the working of the National Development Council. One serious limitation of this book immediately strikes the reader. It stems from the fact that the picture it gives us of consultative committees at the central government is only true of the period till 1962. A whole decade has elapsed since the

data for the thesis was collected. The author carefully considered the charge that would be made on this score but still he came to the conclusion that the original thesis would stand printing in 1972. He makes the enigmatic statement that he felt "rightly or wrongly, that it was only fair to publish it in its 'pristine' form—as it was submitted as a doctoral dissertation". Fair to whom?, one might ask. Is it implied, further, that a doctoral dissertation should not be revised? If this were so, for many budding Ph.Ds this would be a consumation devoutly to be wished! Be that as it may, the weakness of the unrevised text becomes apparent as one reads the book. For instance, when he complains that certain committees persist long after they have ceased to fulfil their original purpose one wonders if the criticism still holds true today.

The author's conclusion is rather weak and he surprises the reader by the observation that "advisory committees have emerged to constitute a significant administrative innovation of the twentieth century". Yet, in chapter two, he traces the origin of advisory committees to the Gupta period. This contradiction probably has its roots in loose writing.

Stylistically, the book needs polishing and touching up at several places. Consider the curious mixture of metaphors in the following sentence: "To the government they (i.e., advisory committees) open a window in the minds of people and provide an anvil to test the goodness of public policies". Even if the author was not inclined to revise and update the contents of this work he could at least have given a little more attention to the refinement of the language.

—S. P. Aiyar

THE QUEEN OF BEAUTY AND OTHER TALES; By A.D. Gorwala, Published by the author. p. 144, Rs. 9.

This collection of tales by Shri Gorwala, whose name is a byword among students of administrative reform in India, is an enchanting bouquet fragrant with memories of the vigorous outdoor life and unpretentious idealistic behaviour of an administrative officer. The tales are narrated in the style of medieval legends echoing at places the *Arabian Nights* and at others the *Panchatantra*. But they are more direct and personal than an allegory. Five tales out of the eleven are set in the environment of a touring administrative officer in the interior of Sind when it was part of the Bombay Presidency, and later when the ICS cadre was one and the same for both Bombay and Sind. Two recall the experiences of the same officer later in his career—probably in Bombay and Poona. The remaining four seem to be allegories seeking to convey a message for today through characters of remote days and lands.

As in fairy tales and medieval legends, the story in these tales moves gently from one situation to another and the characters are deliberately simplified. In the first four tales, there is an additional reason for this simplicity. The people among whom the Assistant Collector works and moves have a marked forthrightness in their dealings, their feuds and friendships. Being tribals, and inhabiting an arid remote region, they are quick in responses and are as easily aroused as pacified. They appreciate boldness in action, and expect a "lord" to behave as a lord. Thus, the environment in which these four tales are cast matches the manner of unfolding the legend.

In the first tale, the Assistant Collector has to help a damsel in distress. Suddenly she appears before him in the camp, with her lover, the marriage with whom is not acceptable to her father. This is because she is betrothed to the son of the tribal Rais who would kill the father and other members of the family for the dishonour. With exemplary presence of mind and uncommon boldness, the Assistant Collector arranges for protective stay for the couple inside the jail, and uses his wit and rhetoric to argue the issues with the fathers and brothers of the parties. One waits for the outcome not because there is any doubt about it, but because the author manages to build a mood of expectancy through an adroitly handled inter-play of emotions restrained by wisdom and shrewdness.

The second tale is about a dispute that could only have occurred in an area where the bardic tradition was a living reality at the time. Almost like Soloman arbitrating between two mothers about the child, the Assistant Collector has to sit in judgment over a dispute between two bards about the authorship of a new and enchanting song. In the third story, the Assistant Collector faces a familiar situation. Two communities in a town are about to be at each others throats when the Assistant Collector rushes from the headquarters, calls the two leading men of the opposing groups, argues with them and finding them recalcitrant puts them in jail as a security measure against riots. This strong measure step works as it used to in those days elsewhere too. But what delights the reader is that when the communal leaders fret, fume and curse the Assistant Collector on hearing his order, he does not silence them with awe and authority of the Raj. He breaks into a song typical of the local area to convince them that he has other talents too, to sustain him.

The tale "The Worth of [illegible] gives a glimpse of the [illegible] right official conduct [illegible] those who wish to [illegible] officials on the [illegible] powerful [illegible] in the capital [illegible] aplomb of the [illegible] matched by the [illegible] Commissioner [illegible] support such conduct [illegible] his subordinates. With [illegible] of Independence [illegible] these norms began [illegible] from higher echelons earlier than by those out in the field. If "The Worth of Quality" is the climax, the last but one "An Independence Day Tale" is the anti-climax. I should call it a deep tragedy. Opportunism triumphs over principles and propriety, and to reader, like the present reviewer, who had known the earlier times and has also been living through the current environment of disintegration, the said journey of the officer in this tale after the humiliating encounter at the top, seems unending.

I would urge young IAS officers to read this little book. I hope they would not be overpowered with this sad refrain. For, Shri Gorwala has at another place sought to provide an antidote. In the concluding portion of the tale "A Man" (actually this should have been placed as the last story of this collection) his hero, a man of sixty-nine, long retired from the ICS, ruminates: "The matter has always been the [illegible] for the public good, [illegible] he had been [illegible]. Could he have [illegible] easily, some judicious [illegible] some flattery, some [illegible] principle, and the [illegible] been wide open. [illegible] was and so he [illegible] And of course [illegible]

[illegible]

[illegible] which I know [illegible] good humidly, without [illegible] of all the relevant facts. [illegible] to my duty to bring them [illegible] notice, seldom the [illegible] doing what he wanted [illegible] I thought that was [illegible] then await his orders. [illegible] felt his orders should be [illegible] I'd carry them out." This is what a Secretary of a State Government said to a Chief Minister back in [illegible]. The Chief Minister was [illegible] pleased with him for having [illegible] their [illegible] out why a [illegible] two [illegible]

Is it possible for a [illegible] to follow [illegible]? Yes, [illegible] As [illegible] with the [illegible] the [illegible] which one [illegible] kind of [illegible] should [illegible]. The [illegible] and the [illegible] only for [illegible]

Of course, there are other questions [illegible] those who may [illegible]. The [illegible] of these [illegible] the [illegible] a [illegible] of [illegible] wisdom, [illegible] including courage

[illegible]

The [illegible] to [illegible] in the [illegible] of each [illegible] side. That, by the [illegible] of [illegible] who [illegible] probably for Shri [illegible] himself), is an abiding sense of humour which should not be confused with the sardonic laughter of the cynic but should rather include an ability to laugh at oneself as much as at odd situations. The other secret

sense of beauty, that which enables one to discover the beauteous in the ways of life of the people among whom the officer works and whom he seeks to serve.

—J.C. MATHUR

ADMINISTERING AGRICULTURAL DEVELOPMENT (COORDINATION, INITIATIVE, AND COMMUNICATION IN THREE NORTH INDIAN STATES): By A.P. BARNABAS and DONALD C. PELZ, New Delhi, Indian Institute of Public Administration, 1970, p. 145, Rs. 10.

The survey monograph under review presents the research conclusions of the study of three specific problems, namely, coordination, initiative and communication in the field of agricultural administration in the three North Indian States. This pioneer kind of work was taken up as early as 1963 by the two competent researchers under the aegis of the Indian Institute of Public Administration, New Delhi, in collaboration with the University departments of Public Administration of Lucknow, Rajasthan, and Panjab. The study quite competently surveys the scene of agricultural administration as it obtained on the eve of the Green Revolution in the country. Besides being a well-designed field study, scientifically conceived and rigorously administered to a select but representative sample of all kinds of participants in agricultural administration, the study vigorously attacks the problem areas and pointedly poses some very pertinent and relevant questions. The theme of the study has very ably been spelled out into six Chapters which quite incredibly encompass in the range of 145 pages a plethora of facts and valuable conclusions well supported by the statistical presentation of data through tables and diagrams.

Though very much limited in its scope, the Barnabas Pelz study primarily concerns itself with the problem of input availability, supply systems, coordination in the administrative efforts, communication hazards of the organizational mechanism and the initiative needs of development administration (pp. 4-5). Through a number of detailed and neatly worked out tables, the researchers have identified and assessed the cultivators satisfaction and dissatisfaction regarding supply of inputs (p.12) steps in relation to total time taken (Table 2.3 pp 14-15), reasons for smooth and poor working of agricultural programme (pp.22-25), and official and non-official perceptions of their respective difficulties in administering agricultural development.

The three areas of coordination, initiative and communication have been chosen for a deeper probe and micro analysis. No doubt, the authors have arrived at some commonsense conclusions, yet the methodology they have employed in reaching those conclusions makes them more than respectable commonsense. For instance, the authors conclude in their last pages:

"While coordination was generally seen to be good within the same line of command or among different departments or bodies at the same level, coordination was weak in 'diagonal' relations...." (p.108)

"...a large amount of communication at district headquarters... was carried on by means of writing." (p. 109)

"The...reason for low initiative was red-tape or rigid rules and procedures followed by insufficient delegation of powers and unsympathetic attitude of superiors towards initiative taken by their subordinates

ie conclusions along with f suggestions which the er emanate from a rigorous ion techniques of beha-asurement and a highly ed method of factor ana-alue-free evaluation. The of questionnaires adminis-the cultivators and official official administrators of al development represent h, systematic and scientific of the study, which has e imaginatively planned and lly designed in view of the al milieu obtained in our de. The relevance of the vers all the categories of ries involved in Panchayati ities and administration. t details and proverbial have meticulously been and the conclusions have ought home quite succinctly cefully.

ugh somewhat late in its ion, the study admirably s in its purpose. "As a part ogramme to develop survey facilities at the Indian e of Public Administration ected universities for conduct-tematic and scientific studies velopment Administration", esent study is certainly a te piece which can serve as a for survey researchers in other e areas, especially the ones ed by the authors as potent factors responsible for particular behaviours in administering development. As most of the tables have been worked out percentage-wise and use highly loaded categories, such as 'adequate control' 'good leadership' (p. 22) lack of interest, dishonesty and corruption (pp. 24-25), etc., it would have been more helpful, if the authors would have explained their conceptualizations through glossary or foot notes or would have furnished more details about these intellectual tools of enquiry, while presenting the analysis. The summaries added at the end of each chapter and at the end of the monograph itself are a help, but there seems to be too much of an obsession with 'brevity' that the reader is liable to make his own conclusions, not necessarily in agreement with the authors.

On the whole, it is a path-breaking venture and should trigger off a spate of studies in some of the barren pockets still left unwashed by the waves of the green revolution. The printers and publishers have done an excellent job. Undoubtedly, it is a very valuable and welcome addition to the growing literature on agriculture administration and will serve as a useful tool for researchers engaged in the study of 'Perceptions and Profiles of Development' in the Indian setting.

—Prabhu Datta Sharma

)MINISTRATION OF GOVERNMENT INDUSTRIES: THREE YS ON THE PUBLIC CORPORATION; By R. S. ARORA, New , Indian Institute of Public Administration, 1969, p. 150, Rs. 18.

blic enterprises occupy a signi-place in the economy of a try. In India, it has been found public enterprises, including cor-tions, are not working efficiently. as such a study on adminis-n of Government industries occupies a special importance. But after reading the book *Administration of Government Industries* carefully, I feel that the author has not touched any aspect of administration. A reader of this book would expect some discussion about the Managing

sense of beauty, that which enables one to discover the beauteous in the ways of life of the people among whom the officer works and whom he seeks to serve.

—J.C. MATHUR

ADMINISTERING AGRICULTURAL DEVELOPMENT (COORDINATION, INITIATIVE, AND COMMUNICATION IN THREE NORTH INDIAN STATES): By A.P. BARNABAS and DONALD C. PELZ, New Delhi, Indian Institute of Public Administration, 1970, p. 145, Rs. 10.

The survey monograph under review presents the research conclusions of the study of three specific problems, namely, coordination, initiative and communication in the field of agricultural administration in the three North Indian States. This pioneer kind of work was taken up as early as 1963 by the two competent researchers under the aegis of the Indian Institute of Public Administration, New Delhi, in collaboration with the University departments of Public Administration of Lucknow, Rajasthan, and Panjab. The study quite competently surveys the scene of agricultural administration as it obtained on the eve of the Green Revolution in the country. Besides being a well-designed field study, scientifically conceived and rigorously administered to a select but representative sample of all kinds of participants in agricultural administration, the study vigorously attacks the problem areas and pointedly poses some very pertinent and relevant questions. The theme of the study has very ably been spelled out into six Chapters which quite incredibly encompass in the range of 145 pages a plethora of facts and valuable conclusions well supported by the statistical presentation of data through tables and diagrams.

Though very much limited in its scope, the Barnabas Pelz study primarily concerns itself with the problem of input availability, supply systems, coordination in the administrative efforts, communication hazards of the organizational mechanism and the initiative needs of development administration (pp. 4-5). Through a number of detailed and neatly worked out tables, the researchers have identified and assessed the cultivators satisfaction and dissatisfaction regarding supply of inputs (p.12) steps in relation to total time taken (Table 2.3 pp 14-15), reasons for smooth and poor working of agricultural programme (pp.22-25), and official and non-official perceptions of their respective difficulties in administering agricultural development.

The three areas of coordination, initiative and communication have been chosen for a deeper probe and micro analysis. No doubt, the authors have arrived at some commonsense conclusions, yet the methodology they have employed in reaching those conclusions makes them more than respectable commonsense. For instance, the authors conclude in their last pages:

"While coordination was generally seen to be good within the same line of command or among different departments or bodies at the same level, coordination was weak in 'diagonal' relations...." (p.108)

"...a large amount of communication at district headquarters... was carried on by means of writting." (p. 109)

"The...reason for low initiative was red-tape or rigid rules and procedures followed by insufficient delegation of powers and unsympathetic attitude of superiors toward initiative taken by their subordinates"

All these conclusions along with a host of suggestions which the authors offer emanate from a rigorous quantification techniques of behaviour measurement and a highly sophisticated method of factor analysis and value-free evaluation. The two sets of questionnaires administered to the cultivators and official and non official administrators of agricultural development represent a thorough, systematic and scientific approach of the study, which has been quite imaginatively planned and behaviorally designed in view of the traditional milieu obtained in our countryside. The relevance of the data covers all the categories of functionaries involved in Panchayati Raj politics and administration. Irrelevant details and proverbial cliches have meticulously been avoided and the conclusions have been brought home quite succinctly and forcefully.

Though somewhat late in its publication, the study admirably succeeds in its purpose. "As a part of a programme to develop survey research facilities at the Indian Institute of Public Administration and selected universities for conducting systematic and scientific studies in Development Administration", the present study is certainly a first rate piece which can serve as a model for survey researchers in other cognate areas, especially the ones indicated by the authors as potent factors responsible for particular behaviours in administering development. As most of the tables have been worked out percentage-wise and use highly loaded categories, such as 'adequate control' 'good leadership' (p. 22) lack of interest, dishonesty and corruption (pp. 24-25), etc., it would have been more helpful, if the authors would have explained their conceptualizations through glossary or foot notes or would have furnished more details about these intellectual tools of enquiry, while presenting the analysis. The summaries added at the end of each chapter and at the end of the monograph itself are a help, but there seems to be too much of an obsession with 'brevity' that the reader is liable to make his own conclusions, not necessarily in agreement with the authors.

On the whole, it is a path-breaking venture and should trigger off a spate of studies in some of the barren pockets still left unwashed by the waves of the green revolution. The printers and publishers have done an excellent job. Undoubtedly, it is a very valuable and welcome addition to the growing literature on agriculture administration and will serve as a useful tool for researchers engaged in the study of 'Perceptions and Profiles of Development' in the Indian setting.

—PRABHU DATTA SHARMA

ADMINISTRATION OF GOVERNMENT INDUSTRIES: THREE ESSAYS ON THE PUBLIC CORPORATION: By R. S. ARORA, New Delhi, Indian Institute of Public Administration, 1969, p. 150, Rs. 18.

Public enterprises occupy a significant place in the economy of a country. In India, it has been found that public enterprises, including corporations, are not working efficiently, and as such a study on administration of Government industries occupies a special importance. But after reading the book *Administration of Government Industries* carefully, I feel that the author has not touched any aspect of administration. A reader of this book would expect some discussion about the Managing

Director/Chairman, Board of Directors, personnel policy, Government control, etc. Moreover, the book contains three essays on public corporation, which is only a part of government industries. Hence the title of this book is misleading.

The work is based on the author's research on this subject carried out at London School of Economics from 1958 to 1961 for the degree of PhD., while the book was published in 1969. It appears that no attempt has been made to bring the material up-to-date.

In the first essay, the author critically examines the contributions to the study of Public Corporation of distinguished authors, like Willoughby, Pigou, Kenyes, Robson and Dimock. In doing so, he has traced the evolution of the principles of the public corporation.

In the second essay, the legal status of a public corporation in USA, UK and India has been discussed on the basis of a number of cases. Various legal complexities and inconsistencies that exist in the three countries have been brought to light. It is hoped that this will help the various countries to establish the legal status of a public corporation on a uniform basis. This study is a valuable effort on the part of the author.

In the third essay, the author has examined how the political aspects of public relations affect the public corporation of England. Various agencies to express public relations have been discussed. The author has given some suggestions to make the consumers' council more effective and fruitful.

The language is refined but it makes a monotonous reading. The author has not given his clear opinion about the problems under discussion. However, the book contains useful information on the three aspects, which will be valuable for the students of theory and practice of public corporations.

—B. P. Gupta

PANCHAYATI RAJ AND POLITICAL PERCEPTIONS OF ELECTORATE; By K. SESHADRI AND S. P. JAIN, Hyderabad, National Institute of Community Development, 1972, p. 99, Rs. 14.

The present work is a behavioural study examining the political perceptions of the Hyderabad electorate during the mid-term elections of 1971. It studies the process of politicization of masses and leaders, and measures their consciousness of the contemporary national and local problems. In this context, the authors try to study the linkages between the problems at the national and the local levels as also the role of the panchayati raj institutions and leaders in the processes of political recruitment, political socialization and political communication.

The study is based on a sample of 434 respondents, of whom 291 were drawn from rural areas and 143 from the urban areas. Besides, a sample of 50 leaders was also drawn from among the different categories of village leaders. Though the analysis is mainly based on electorate of the panchayati raj areas, the urban areas have been included to act as "control area" to enable the authors to analyse the differentials between the rural and the urban electrorate. The methodology employed in the study includes interview-schedules, primary records and, to some extent,

participant-observation. In the presentation of results, the authors have used percentages, Krushal's Gamma, and Guttman Scalling. The 53 tables presented are based on rigorous empirical research.

The study presents a host of interesting findings. For example, it reveals that although the 'real' meaning of 'democracy' and 'socialism' is understood by very few persons, the desire to exercise the voting right is highly developed among them. Further, if this exercise of the voting right is taken as an important index of 'politicization', then rural people are more politicized than the urban people (p. 31). In fact, rural voters also show greater flexibility in their voting choice than their urban counterparts (p. 32), and more surprisingly, they are more 'independent' than the urban electorate in exercising their right to vote. Another socio-political myth is shattered by the study when it reveals that caste exercises greater influence in elections in rural areas than in the urban ones. Thus, the most significant hypothesis presented and validated by the study is that "rural areas are more sensitized to political cross-currents than their urban counterparts since their life, especially in the developmental context is intimately linked with the national economic programmes" (p. 99).

The study further shows that in the process of politicization of the rural masses, particularly during the elections, the influence of the panchayati raj leaders is minimal. Moreover, despite a partyless panchayati raj system, the rural electorate keeps a favourable image of the institution of political parties which, in turn, has proved to be an extremely effective secularising and socialising instrument of interest aggregation. In elections, however, besides the party-label the candidate's regional appeal and monetary resources exert an important influence on the minds of the electorate.

The above mentioned and other findings in the book under review make it an important contribution to the literature on Indian political behaviour. Not only has the study successfully challenged many of the existing assumptions about the behaviour of the rural-urban electorate, it has also presented several interesting and perceptive hypotheses which can be tested in "cross-constituency" and cross-provincial contexts. The book appears to be an important step in the direction of building a theory of Indian political development from village upwards to the centre as a continuum. As a feedback of the present work, the Institute of Community Development has already undertaken a study of linkages between the panchayati raj leaders and the state and central leaders. Undoubtedly, the book appears to possess a tremendous heuristic value.

The authors, in their analysis, have implicity followed a sort of systemic-ecological perspective, emphasizing interactions among social, economic, and political sub-systems, without assuming *a priori* any variable as an independent variable. This in itself is a notable merit of the book. Furthermore, the study appears to have substantial policy-relevance. For instance, in the words of the authors, the data of the study suggest that "while people want socialistic programmes to be implemented, they would want their implementation in a non-communistic way together with the establishment of law and order in the countryside" (p.72). The analysis in the study clearly underlines the need for strengthening the police force in villages and for the efficient implementation of land reforms to enhance the faith of the people in democracy

and socialism. Such an instrumental perspective has added to the usefulness of the present study.

Lastly, the reviewer feels that the utility of the book could have increased substantially had the conclusion been made more detailed and analytical and had it contained a summing up of all the important propositions developed in the book in a manner adequate for facilitating their future testing by other scholars.

—RAMESH K. ARORA

BOOKS RECEIVED

ithreya N H., *Essence of Modern gement: The Act of Raising the ard of Living*, Bombay, M.M.C. l of Management, 1972, , Rs. 15.00.

ndyopadhyaya, J., *The Making ia's Foreign Policy: Determi- Institutions, Principles and alities*, New Delhi, Allied. p. 286, Rs. 20.00

ambhri, C.P., *Administrators anging Society*, Delhi, National p. 249, Rs. 35.00.

ambhri, C.P., *Public Adminis- (Theory and Practice)*, Meerut, akash Nath, 1972, p. 693, .00.

ttacharya, Mohit, *State Muni- ulations (A Functional Analysis)* Delhi, IIPA, 1972, p. 61, 0.

tterji, Saral K., *Profile of Dash (Depth Study of a Social tion)* Madras, The Christian ure Society, 1972, p. 111, 0

...n, William C., *Sampling ues*, New Delhi, Wiley East- 72 (2nd edn), p. 413, Rs.18.75.

Karl A., *Intermediate Eco- nomics*, New Delhi, Wiley , 1972, p. 568, Rs. 21.75.

ernment of Gujarat, *Perspec- n of Gujarat 1974-1984*, agar, Government of Gujarat, Administration (Planning). l. I (p. 433), Vol. II (p.539) and Vol. III (p. 311), Rs.5.00.

n, B.P., *Municipal Adminis- in Rajasthan*, New Delhi, Brothers 1971, p. 218, 0.

Kuppuswamy, B., *Social Change in India*, Delhi, Vikas, 1972, p. 355, Rs. 40.00.

Khan, Waheeduddin (ed.), *Papers and Proceedings of the Workshop cum Seminars on Rural Institutions and Agricultural Department*, Hyderabad, National Institute of Community Development, 1972, p. 411, Rs. 40.00.

Lipset, Seymour Martin (ed.) *Politics and the Social Sciences*, New Delhi, Wiley Eastern, 1972, p. 328, Rs. 6.00

Maheshwari, S. R., *The Administrative Reforms Commission*, Agra, Lakshmi Narain Agarwal, 1972, p. 571, Rs. 45.00.

Muthayya, B.C., *Panchayat Taxes: Factors Influencing Their Mobilisation*, Hyderabad, National Institute of Community Development, 1972, p. 146, Rs. 15.00.

Patnaik N., *Tribes and Their Development* (A study of two tribal Development Blocks in Orissa), Hyderabad, National Institute of Community Development, 1972, p. 117, Rs. 15.00.

Reddy, G. Ram *and* Seshadri, K., *Developing Society and Police*, Hyderabad, Osmania University, 1972, p. 206, Rs. 30.00.

Reddy, G. Ram *and* Seshadri, K., *The Voter and Panchayati Raj*, Hyderabad, National Institute of Community Development, 1972, p. 113, Rs. 13.00.

Sen, Lalit K. (ed.), *Readings on Micro-Level Planning and Rural Growth Centres*, Hyedrabad, National Institute of Community Development, 1972, p. 350, Rs. 35.00.

and socialism. Such an instrumental perspective has added to the usefulness of the present study.

Lastly, the reviewer feels that the utility of the book could have increased substantially had the conclusion been made more detailed and analytical and had it contained a summing up of all the important propositions developed in the book in a manner adequate for facilitating their future testing by other scholars.

—RAMESH K. ARORA

BOOKS RECEIVED

Atthreya N.H., *Essence of Modern Management: The Act of Raising the Standard of Living*, Bombay, M.M.C. School of Management, 1972, p. 240, Rs. 15.00.

Bandyopadhyaya, J., *The Making of India's Foreign Policy: Determinants, Institutions, Principles and Personalities*, New Delhi, Allied, 1970, p. 286, Rs. 20.00

Bhambhri, C.P., *Administrators in a Changing Society*, Delhi, National, 1972, p. 249, Rs. 35.00.

Bhambhri, C.P., *Public Administration (Theory and Practice)*, Meerut, Jai Prakash Nath, 1972, p. 693, Rs. 18.00.

Bhattacharya, Mohit, *State Municipal Relations (A Functional Analysis)* New Delhi, IIPA, 1972, p. 61, Rs. 8.00.

Chatterji, Saral K., *Profile of Bangla Desh (Depth Study of a Social Revolution)* Madras, The Christian Literature Society, 1972, p. 111, Rs. 7.00

Cochran, William C., *Sampling Techniques*, New Delhi, Wiley Eastern, 1972 (2nd edn), p. 413, Rs. 18.75.

Fox, Karl A., *Intermediate Economic Statistics*, New Delhi, Wiley Eastern, 1972, p. 568, Rs. 21.75.

Government of Gujarat, *Perspective Plan of Gujarat* 1974-1984, Gandhinagar, Government of Gujarat, General Administration (Planning), 1972, Vol. I (p. 433), Vol. II (p. 539) Rs. 5.00 and Vol. III (p. 311), Rs. 5.00.

Gupta, B.P., *Municipal Administration in Rajasthan*, New Delhi, ... Brothers 1971, p. 218, Rs. 22.00.

Kuppuswamy, B., *Social Change in India*, Delhi, Vikas, 1972, p. 355, Rs. 40.00.

Khan, Waheeduddin (ed.), *Papers and Proceedings of the Workshop cum Seminars on Rural Institutions and Agricultural Department*, Hyderabad, National Institute of Community Development, 1972, p. 411, Rs. 40.00.

Lipset, Seymour Martin (ed.) *Politics and the Social Sciences*, New Delhi, Wiley Eastern, 1972, p. 328, Rs. 6.00

Maheshwari, S. R., *The Administrative Reforms Commission*, Agra, Lakshmi Narain Agarwal, 1972, p. 571, Rs. 45.00.

Muthayya, B.C., *Panchayat Taxes: Factors Influencing Their Mobilisation*, Hyderabad, National Institute of Community Development, 1972, p. 146, Rs. 15.00.

Patnaik N., *Tribes and Their Development* (A study of two tribal Development Blocks in Orissa), Hyderabad, National Institute of Community Development, 1972, p. 117, Rs. 15.00.

Reddy, G. Ram and Seshadri, K., *Developing Society and Police*, Hyderabad, Osmania University, 1972, p. 206, Rs. 30.00.

Reddy, G. Ram and Seshadri, K., *The Voter and Panchayati Raj*, Hyderabad, National Institute of Community Development, 1972, p. 113, Rs. 13.00.

Sen, Lalit K. (ed.), *Readings on Micro-Level Planning and Rural Growth Centres*, Hyedrabad, National Institute of Community Development, 1972, p. 350, Rs. 35.00.

Seshadri K. *and* Jain, S.P., *Panchayati Raj and Political Perceptions of Electorate (A Study of Electoral Behaviour in the Mid-term Poll of* 1971 *in Hyderabad Constituency),* Hyderabad, National Institute of Community Development, 1972, p. 99, Rs. 14.00.

Singhvi, L.M. (ed.) *Parliament and Administration in India,* Delhi, Metropolitan, 1972, p. 285, Rs. 35.00

Subramaniam, V., *Social Background of India's Administrators : A Socio-Economic Study of a Higher Civil Service of India,* New Delhi, Publications Division (Government of India), 1971, p. 180, Rs. 12.00.

Venkataraman, K., *Power Development in India,* New Delhi, Wiley Eastern, 1972, p. 166,

Viswanathan, S.S. *and* Chaturvedi, A.V., *Application of Performance Budgeting in Central P.W.D.,* New Delhi, IIPA, 1972, p. 136, Rs. 10.00.